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Japan

U.S. Adviser Briefs Reporters on 'Super 301'

OW1902014194 Tokyo KYODO in English 0116 GMT
19 Feb 94

[Text] Washington, Feb. 18 KYODO—A top adviser to President Bill Clinton indicated Friday [18 February] the United States may revive the so-called "Super 301" trade law as part of a fresh U.S. trade strategy to open up Japanese markets. "Clearly, (Super) 301 is, as is well known, an option," White House Counselor David Gergen said, referring to the lapsed trade law that allows Washington to take a strong hand in retaliating against unfair trade practices.

Gergen, speaking briefly with a group of Japanese reporters, said Clinton has yet to make a decision on what measures Washington will take following the collapse of top-level trade talks. The president "will sit down with his advisers in the next few days to talk about that," Gergen said.

Clinton collided head-on with Japanese Prime Minister Morihiro Hosokawa in a meeting in Washington last Friday on ways to reduce Japan's trade surplus and open up Japanese markets to foreign goods.

Clinton vowed Thursday to pursue an aggressive policy to open markets he described as the "most closed" among industrial nations.

While gearing up for a new offensive in increasingly acrimonious trade disputes with Tokyo, the Clinton administration also took steps this week to sell its trade policy directly to Japanese business leaders. Gergen said the White House invited half a dozen top Japanese business executives to meet with senior Clinton aides Tuesday to send a message to Japan that Washington is not seeking "numerical quotas" in promoting imports to Japan.

"We hope that they can help more people in Japan understand the administration's position was not (after) numerical quotas. We had a good discussion about that," Gergen said.

Among the Clinton aides who attended the hourlong meeting were White House National Economic Council Director Robert Rubin and his Deputy W. Bowman Cutter, Treasury Deputy Secretary Roger Altman and White House Economist Alan Blinder.

The Japanese business executives, led by Yotaro Kobayashi, chairman of Japan's Fuji Xerox Co., were in Washington for a meeting with a U.S. business group involved in trade with Japan.

Miyazawa Urges Hosokawa To Repair U.S. Ties

OW2002072194 Tokyo KYODO in English 0517 GMT
20 Feb 94

[Text] Tokyo, Feb. 20 KYODO—Former Prime Minister Kiichi Miyazawa called on his successor, Morihiro Hosokawa, on Sunday [20 February] to move quickly to

repair strained relations between Japan and the United States. "Adults' relations mean they don't fight," Miyazawa said, appearing on a Fuji television program.

Asked about the failed Japan-U.S. framework trade talks, he suggested Japan should deal with each issue positively.

Miyazawa said the Japanese trade surplus with the U.S. will not drop sharply, but that Tokyo needs to make Washington understand it is making efforts to correct the trade imbalance.

Meanwhile, Hosokawa invited former Labor Minister Toshio Yamaguchi to his official residence Sunday for talks on ways to promote Japan-U.S. dialogue. Formerly with the opposition Liberal Democratic Party, Yamaguchi, now an independent, said he recommended more frequent exchanges of Japanese and U.S. legislators to help improve bilateral ties. Yamaguchi used to maintain an office in Washington to keep abreast of developments in U.S. politics.

Official Says Accord on Trade Targets Unlikely

OW2102085394 Tokyo KYODO in English 0815 GMT
21 Feb 94

[Text] Tokyo, Feb. 21 KYODO—Chances are slim that Japan and the United States will reach consensus on the definition of "objective criteria" as a means to gauge foreign access to Japan's markets, a senior Foreign Ministry official said Monday [21 February].

"Frankly speaking, an early breakthrough on the issue is unlikely," Deputy Foreign Minister Koichiro Matsuura, a chief negotiator in the Japan-U.S. trade framework talks, said in a speech sponsored by the Japan National Press Club.

Terming solution of the issue "very difficult," Matsuura proposed holding informal sessions between the two countries.

Bilateral negotiations on a governmental basis are limited following the collapse of the framework talks during the Japan-U.S. summit earlier this month, he said.

As part of efforts to mend the soured economic relations with Washington, Matsuura cited the need for Japan to cut its global current-account surplus "significantly" within four to five years, in line with the Japan-U.S. accord last July.

As a first step, Tokyo should achieve its economic target for fiscal 1994 of cutting the ratio of the global current-account surplus against gross domestic product to 2.8 percent from about 3.1 percent estimated for the current year, he said.

Achieving that figure would lead to a reduction in Japan's trade surplus with the U.S., which accounted for more than half of its global surplus of nearly 120 billion dollars in calendar 1993, Matsuura said.

He said the state of the U.S. trade balance with Japan is like "a thermometer gauging U.S. harshness against Tokyo."

Matsuura called for U.S. efforts to reduce its budget deficit, expand savings and increase industrial competitiveness, in line with its commitments shown in the July 1993 meeting between then Japanese Prime Minister Kiichi Miyazawa and U.S. President Bill Clinton.

Matsuura criticized the U.S. for threatening to scrap a global trade accord proposal on electronic components.

Washington recently unveiled a plan to retract a 60 percent to 70 percent cut in tariffs on electronic parts as agreed under the Uruguay Round of multilateral talks sponsored by the General Agreement on Tariffs and Trade (GATT).

The U.S. said it will opt for the step because Japan has rejected a U.S. call for removal of wood product tariffs in Japan. Tokyo agreed in the Uruguay Round to halve the tariffs.

The latest U.S. action is "unconvincing" in terms of the procedure of the global trade talks, Matsuura said.

The concluded Uruguay Round allowed for additional offers by GATT member countries before February 15 only when such offers are regarded as steps leading to further market opening, Matsuura said.

On the overall Japan-U.S. relations, Matsuura said the two countries should do their utmost to prevent the current economic friction from impinging on other aspects like political problems.

It would reflect a "relationship of grown-ups" if the matter is handled at an economic level and prevented from worsening the overall relations of the two countries, he said.

Hosokawa: More Market Opening 'Urgently' Needed

OW2102073494 Tokyo KYODO in English 0716 GMT 21 Feb 94

[Text] Tokyo, Feb. 21 KYODO—Prime Minister Morihiro Hosokawa expressed resolve Monday [21 February] to work out a fresh package of market-opening measures as early as possible, government officials said.

Hosokawa told a meeting of leaders of the government and ruling parties that Japan urgently needs to adopt market-opening measures to resolve the trade row with the United States.

Meanwhile, a government source said, "we want to produce a concluded package at the earliest possible date in March."

The Hosokawa cabinet decided last week to formulate a set of measures including deregulation and import promotion to improve foreign access to the Japanese market.

The decision followed a U.S. announcement that it plans to impose sanctions on imports of Japanese cellular phones.

The government source said, however, that the planned market-opening steps are not designed to avert threatened U.S. trade retaliation but are "voluntary efforts."

Chief Cabinet Secretary Masayoshi Takemura told a morning press conference that the government will hold a ministerial-level emergency meeting "within this week" to discuss ways to repair strained trade ties with the U.S.

Ministers of foreign affairs, finance, and international trade and industry will attend the session, which is likely to be held after the third supplementary budget for fiscal 1993 becomes law, probably Wednesday, government sources said.

Foreign Minister Tsutomu Hata told the ruling parties' meeting that the focal point now is how Japan and the U.S. can strike a deal on criteria without using figures to measure the openness of Japanese markets.

Hosokawa met U.S. President Bill Clinton earlier this month in Washington but failed to agree on a new framework to slash Japan's huge surplus in bilateral trade, which last year amounted to about 60 billion dollars, according to U.S. figures.

The U.S. asked Japan to set numerical targets but Japan rejected the demand, saying it would lead to managed trade.

'Source' on Timing of Market-Opening Package

OW2102025394 Tokyo KYODO in English 0224 GMT 21 Feb 94

[Text] Tokyo, Feb. 21 KYODO—Japan will work out a planned package aimed at further market opening by early March, a government source said Monday [21 February].

The source, who did not want to be identified, said, "We want to produce a concluded package at the earliest possible date in March."

Prime Minister Morihiro Hosokawa decided last week to formulate a set of measures including deregulation and import promotion to improve foreign access to the Japanese market.

His decision came in the wake of a U.S. announcement that it plans to impose sanctions against Japan on cellular phones.

The source said, however, the planned market-opening steps are not designed to avert threatened U.S. trade retaliation.

"Rather, they are voluntary efforts," the source said.

The source also said the scheduled emergency meeting of cabinet members on the new package will be held after the third supplementary budget for the current fiscal 1993 becomes law, probably on Wednesday.

Current Account Surplus Reduction Not 'Target'

*OW2202023194 Tokyo KYODO in English 0152 GMT
22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—Japan cannot make reducing its current account surplus into a trade target with the United States, the country's economic planning chief said Tuesday [22 February].

Manae Kubota, director general of the Economic Planning Agency (EPA), told a regular press conference that official predictions of cutting the huge surplus as a proportion of gross domestic product (GDP) provide a reference figure but cannot be construed as a trade target.

The agency's prediction that the current account surplus will fall to 2.8 percent of GDP in the fiscal year starting April, from an expected 3.1 percent in the current fiscal year, can be an indicator of effort, but "it's impossible to use as a precondition" in trade talks, she said.

A senior Foreign Ministry official said Monday that achieving the target for cutting the overall current account surplus is important in reducing the black ink with the U.S. as well.

The comment by Koichiro Matsuura, deputy foreign minister, was interpreted as implicitly accepting the prediction as a trade target.

But Kubota said the current account, affected by such factors as exchange rate fluctuations, "is not Japan's problem alone."

Kubota, noting that Japan's current account surplus is declining in yen terms, said the government should endeavor to achieve its recently stated goals of deregulation, promoting trade and investment, improving competition through stricter antitrust enforcement and simplifying the government procurement system.

To help achieve those goals, she said, the EPA should support spurring domestic demand through planned incomes tax cuts and increased housing investment and public works spending.

The agency should also effectively use its ombudsman's office to improve foreign access to Japanese trade and investment and should form plans to reduce the gap between high domestic prices and those overseas, Kubota said.

Public Works Expansion Eyed To 'Appease' U.S.

*OW2202040594 Tokyo KYODO in English 0346 GMT
22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—The government is considering expanding the scheduled public works investment in the 10 years ending in fiscal 2000 by 100 trillion yen to deal with mounting economic friction with the United States, government sources said Tuesday [22 February].

Existing plans call for the government to invest 430 trillion yen in public works in the period.

The sources said the proposed increase in public works spending is intended to appease the U.S. tension has been rising between the two countries following the breakdown of the bilateral framework trade talks earlier this month.

The increased investment would help expand Japan's infrastructure, such as national communications networks, housing and parks, boost domestic economic demand and cut Japan's chronic current-account surplus with the U.S., the sources said.

In the framework talks, Japan had pledged efforts to sharply reduce the surplus in the medium term.

The government had earlier said it would announce next month a voluntary four-point program for cutting the surplus and opening its markets to imports.

But that and other programs announced in the past would not be enough to satisfy the U.S. Government, the sources said.

An advisory panel for Prime Minister Morihiro Hosokawa, the Council for Economic Restructuring, called in December for an expansion of the public works investment program, and Hosokawa himself told a new year's news conference he agreed with the proposal.

Kumagai Urges 'Political Decision' on Talks

*OW2202041394 Tokyo KYODO in English 0354 GMT
22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—Japan's trade minister Hiroshi Kumagai said Tuesday [22 February] a political decision by Prime Minister Morihiro Hosokawa is necessary to unblock the bilateral "framework" trade talks with the United States.

Kumagai told a press conference after the regular morning cabinet meeting that the stalemate in the negotiations is "an issue which cannot be left to bureaucrats and requires a political decision."

He also reiterated that the government has to decide what measures—both micro- and macro-economic—it will take and when to break the impasse on the talks.

The bilateral framework negotiations meant to whittle down Japan's lopsided trade surplus with the U.S. broke down earlier this month due to a discord over a U.S. demand for quantitative targets for Japanese imports.

The collapsed talks apparently prompted the U.S. to announce plans last week to impose sanctions on Japan over a cellular phone dispute.

Asked about a U.S. move to withdraw its offer on tariff cuts on electronics products made at the completed Uruguay Round of trade talks, Kumagai said the U.S. about-face should not be "viewed in the context of the Japan-U.S. relations."

Washington has threatened to do so unless Japan reduces its timber tariffs.

He also appeared to be critical of the U.S. move, saying, "The Uruguay Round was concluded last December."

Plan for Opening Auto Parts Market Studied

OW1902064094 Tokyo KYODO in English 0634 GMT 19 Feb 94

[Text] Tokyo, Feb. 19 KYODO—The government will work out a plan soon to open Japan's auto parts market to meet U.S. demands made in the failed bilateral "framework" trade talks, government sources said Saturday [19 February].

Under the plan, licensed mechanics at auto repair shops would be allowed to overhaul and repair major auto components such as driving gear, the sources said.

Currently, only government-designated repair shops are allowed to service such components.

At the same time, auto repair shops would be encouraged to use generic auto parts, including imports, to end the trade custom of favoring Japanese manufacturer-supplied parts, they said.

In Japan, 70 to 80 percent of the auto parts are supplied by Japanese automakers.

The government will also consider sending its own inspectors to the United States to expedite inspections on auto imports, the sources said.

The auto industry has also started figuring out ways to boost imports and local procurement of auto parts and components, industry sources said.

Specifically, domestic automakers will draw up their respective plans to ensure more stable business deals with U.S. parts manufacturers and step up joint development of components with them.

Moreover, they will study ways of increasing domestic sales of imported vehicles, the sources said.

Kumagai Says Tokyo Rejected U.S. Auto Request

OW2202074494 Tokyo KYODO in English 0657 GMT 22 Feb 94

[Text] Tokyo, Feb. 22 KYODO—Japan rejected a U.S. call to expand its auto imports during the latest trade framework talks in Washington, Trade Minister Hiroshi Kumagai disclosed Tuesday [22 February].

Washington had urged Japan to promise an annual increase of 20 percent in its imports of auto components and finished automobiles, Kumagai, head of the Ministry of International Trade and Industry (MITI), told a House of Representatives Budget Committee session.

But Tokyo turned down the request because MITI thought such a promise would be hard to keep, Kumagai said.

The February 11 talks between Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton on establishing a new trade framework broke down when the two countries

failed to narrow a gap over the definition of "objective criteria" as a means to gauge U.S. access to Japan's markets.

Japan is opposed to introducing numerical targets in autos and other trade areas as sought by the U.S.

Tokyo To Present Same GATT Tariff Cut Offers

OW2102090294 Tokyo KYODO in English 0837 GMT 21 Feb 94

[Text] Tokyo, Feb. 21 KYODO—Japan will present to the General Agreement on Tariffs and Trade (GATT) a table of tariff cut offers made last December as part of the Uruguay Round pact without any changes, a Japanese official said Monday [21 February].

Hideaki Kumano, vice minister of international trade and industry, said the table will be submitted Monday despite a U.S. move to withdraw some of its trade concessions.

"We will not go back on the content (of tariff cut offers) as of last December," Kumano told reporters.

Kumano's comment came against the backdrop of reports quoting U.S. trade negotiator John Schmidt as saying Washington was withdrawing some tariff offers, including cuts on industrial electronics products.

Japan's ambassador to GATT Nobutoshi Akao accused the United States last week of "betrayal" in pulling back tariff cut offers that helped pave the way for the Uruguay Round trade pact.

U.S. Trade Representative Mickey Kantor has denied the accusation but Akao says Washington has advised Tokyo that it is withdrawing lower customs duties on electronics against the agreement reached in December.

Official Says Tokyo To Defend Tax Cuts at G-7

OW2102095294 Tokyo KYODO in English 0928 GMT 21 Feb 94

[Text] Tokyo, Feb. 21 KYODO—Japan will defend its recent tax cuts to the United States again at a weekend meeting of top financial officials from the Group of Seven (G-7) economic powers, Vice Finance Minister Jiro Saito said Monday [21 February].

Saito told a regular press conference it remains "very difficult" to make the U.S. understand that the 6 trillion yen worth of tax cuts were not simply a one-time measure, so Japan will try again at the G-7 meeting in Frankfurt.

He said explanations are especially difficult as Japan scrapped Prime Minister Morihiro Hosokawa's original plan for a permanent income tax cut to be offset three years later by replacing the 3 percent consumption tax with a 7 percent "national welfare tax."

Saito reiterated that ruling coalition leaders agreed to enact comprehensive tax reform this year, which is to shift the taxation burden away from such direct levies as income taxes and toward direct taxation on consumption and the like.

Over the weekend, Kosuke Nakahiro, vice finance minister for international affairs, tried to explain the tax scheme at a deputy-level meeting in Washington to prepare for the G-7 gathering.

The U.S. has criticized Tokyo's recent stimulus measures as too little to boost the domestic economy and thus spur imports to curb Japan's huge trade surplus. President Bill Clinton has specifically cited finance and trade bureaucrats for the failure of recent U.S.-Japan trade talks.

Although he and his fellow bureaucrats must "reflect" on such criticism, Saito said that compared to the explicit welfare tax, the current plan is not what his ministry wanted.

"It's sad and painful," he lamented, adding that he cannot understand why the Finance Ministry is perceived as the "villain."

Tokyo To Urge Stable Currency at G-7 Meeting

*OW1902095994 Tokyo KYODO in English 0944 GMT
19 Feb 94*

[Text] Tokyo, Feb. 19 KYODO—Japan plans to call for a stable movement in the currency market at the Group of Seven (G-7) industrialized nations' meeting of top finance officials to be held in Germany on February 26, financial sources said Saturday [19 February].

Japanese officials want to confirm with their G-7 counterparts an earlier agreement that erratic movements in the foreign exchange market are undesirable, and will request their cooperation in intervening to prevent such moves, the sources said.

The upcoming G-7 meeting brings together finance ministers and central bankers from Britain, Canada, France, Germany, Italy, Japan and the United States.

The themes of the G-7 talks will be considered when deputy finance ministers of these countries get together in Washington on Sunday.

The sources said they expect the G-7 discussions to deal with, among other things, aid to Russia and policies to stabilize the currency market.

The Japanese currency rocketed upward against the U.S. dollar in the wake of the failure last week between Japanese Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton to reach an agreement on trade talks at their summit meeting in Washington.

Speculation that the U.S. will strengthen upward pressure on the yen, after what in effect was a breakdown of the bilateral "framework" trade talks, spurred frantic buying of the yen in the currency market.

Although the yen has given up some of its gains due to the Bank of Japan's dollar-buying, yen-selling market interventions, the threat of the Japanese currency jumping up again still exists.

Japanese officials will likely tell the G-7 finance ministers that a higher yen has the danger of delaying recovery of Japan's economy as it could offset the benefits of the government's recently announced 15.25 trillion yen economic package, the sources said.

The officials will probably assert that not only will a strong yen put a brake on the Japanese economy and work against efforts to reduce the country's trade surplus, but that it would also run counter to the policy of the G-7 countries to strive together for a global economic recovery, they said.

Japan's assertions may not be easily accepted, however, amid the country's rift over trade talks with the U.S.

Although Europe supports Japan's stance of refusing U.S. demands to set numerical targets to gauge the openness of Japanese markets, the breakdown in trade talks has already put the Japan-U.S. relationship in a hostile tone.

On aid to Russia, the G-7 countries will hear from Russian officials the progress of economic reforms in that country, the sources said. It will consider whether the International Monetary Fund (IMF) can offer Russia the second part of their financial package started in April last year.

In July 1993, Russia received 1.5 billion dollars of the 3 billion dollar package, but the remainder of the IMF aid has been withheld since conditions such as improvement in the Russian economic situation have not been met.

G-7 Meeting Support Sought To Halt Yen's Rise

*OW2102013794 Tokyo KYODO in English 0055 GMT
21 Feb 94*

[Text] Washington, Feb. 20 KYODO—Japan asked other Group of Seven (G-7) economic powers Sunday [20 February] to cooperate to stem a further advance of the yen.

The request was made at a meeting of deputy finance ministers in Washington.

Kosuke Nakahira, the Japanese representative at the meeting held at the U.S. Treasury Department, told reporters he told his G-7 colleagues that volatility in foreign exchange rates is not desirable.

Nakahira, vice finance minister for international affairs, also said he explained the state of the Japanese economy and the government's series of actions to pull it out of the prolonged recession, including the 15 trillion yen pump-priming package unveiled earlier this month.

He did not give any indication, however, of whether the so-called G-7 deputies reached any agreement on his request.

The finance officials met to prepare for next Saturday's meeting in Frankfurt of the G-7 finance ministers and central bank governors. The G-7 groups Britain, Canada, France, Germany, Italy, Japan and the United States.

The Frankfurt talks were originally expected to be focused on aid to Russia, but Japan now hopes that the G-7

countries will send some signals to the market that they do not desire further wild swings in the yen's value.

The Japanese currency gained as much as 6 yen at one stage in last week's trading, propelled by speculation that the collapse of Japan-U.S. "Framework" trade talks may prompt the U.S. to deliberately guide the yen higher to slim its colossal trade deficit with Tokyo.

Fujii Says G-7 To Discuss Currency Moves

*OW2202030094 Tokyo KYODO in English 0231 GMT
22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—Group of Seven (G-7) ministers are expected to discuss the recent "artificially manipulated" currency rates, Finance Minister Hirohisa Fujii said Tuesday [22 February].

"Artificially manipulated movements are undesirable," Fujii said, adding that this would be discussed at a meeting of G-7 finance ministers and central bankers on Saturday in Germany.

Speaking at a regular press briefing after a morning cabinet meeting, Fujii was referring to the yen's recent sharp advance against the dollar on speculations over U.S. comments tolerating the yen's rise.

But Fujii said, "I'm not thinking at the moment" of requesting a statement over the yen's recent sharp movements.

He reiterated that the G-7 ministers would discuss their earlier accord to cooperate in keeping stable currency rates reflecting economic fundamentals.

Considering the tax issue, Fujii said he would try to explain again to the U.S. side that Japan is to implement a "full-fledged" tax reform by the year-end.

U.S. officials have said the 6 trillion yen tax cuts limited to a single year would not be enough to prop up Japan's domestic demand to curb trade imbalance.

Fujii repeated that the tax cuts were conducted as an "emergency measure" and the ruling coalition leaders have shown "a direction for full-fledged" reform by agreeing to set a "balanced tax system in income, assets and consumption" by the year-end.

Meanwhile, he said that discussions are under way over boosting a 10-year program of spending 430 trillion yen in public works as one option for Japan's market-opening measures.

But he stressed that financial sources must be secured, and also rejected increasing construction bonds which he noted are "better than deficit-covering bonds but are the same in terms of national debt."

The Finance Ministry estimated in the fiscal 1994 budget plan that Japan's outstanding balance of government bonds would top 200 trillion yen.

Mieno Voices Concern Over Recent Yen Rise

*OW2202050194 Tokyo KYODO in English 0446 GMT
22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—Bank of Japan (BOJ) governor Yasushi Mieno on Tuesday [22 February] voiced concern over the recent surge in the yen's value against the dollar.

The Japanese currency's strength against the dollar is "excessive," mieno told a private forum. The monetary authorities will "take appropriate steps in a timely manner" to stabilize exchange rates, he added.

He said the recent yen rise is feared to worsen corporate sentiment.

The yen gathered upward momentum against the dollar following the breakdown earlier this month of Japan-U.S. trade talks designed to establish a framework to help reduce Japan's huge trade surplus.

Mieno said the Japanese economy is still stagnant but he noted that corporate sentiment is showing some slight signs of recovery. He said the current short-term interest rates are low enough to support corporate restructuring efforts.

Vows 'Appropriate', Timely Steps

*OW2202063694 Tokyo KYODO in English 0625 GMT
22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—Bank of Japan governor Yasushi Mieno vowed "appropriate steps in a timely manner" Tuesday [22 February] to stabilize recently gyrating currency markets.

Four days before meeting finance leaders of the Group of Seven industrial nations, Mieno said in a Tokyo speech that the recent resurgence of the yen had "clearly gone too far."

The yen has eased against the dollar in recent days from last week's trade woes-prompted jump, with dealers citing apparently repeated yen-selling interventions by Japan's central bank.

Mieno said that a surging yen could again dampen Japanese corporate sentiment, which he said had been showing glimmers of improvement since the year began.

He said he wants to watch the effect of corporate sentiment on economic recovery, but repeated that no clear signs of a turnaround are visible.

Mieno said the economy remains weak, repeating that corporate capital spending is still sluggish and personal consumption is weak overall, despite a few bright spots.

The basis for recovery, however, is firming, he said.

Capital stock adjustments will take time for full completion, but recovery can begin before that process is finished, he said.

Mieno also appeared to quash expectations of an imminent interest rate cut, saying the central bank's record low official discount rate, as well as money market and bank lending rates, are all low enough to support corporate restructuring.

He stressed that he is taking a long-term perspective in monetary policy to support sustainable, inflation-free growth and prevent a resurgence of the speculative "bubble" of the late 1980s.

Banks remain reluctant to lend and companies reluctant to invest, Mieno said, adding that a "steep, large correction is needed" for financial institutions to clear their bad loans and corporations to improve their balance sheets.

Moreover, financial institutions should not focus solely on liquidating bad loans but should also show entrepreneurship to revitalize their businesses, he said.

Repeating that the main task rested with the efforts of corporations and institutions, Mieno said the authorities should pave the way.

He said the central bank will do its part and called for government "leadership" in such areas as deregulations included in its recent fiscal stimulus package, saying he hopes deregulation does not remain simply a slogan.

Deregulation would give companies and institutions the chance to use their "innovation potential" in new businesses and products, he said, calling deregulation and innovation the "wellspring of growth."

Mieno said deregulation can also play an important role in reducing Japan's trade imbalances with other countries.

Delay in Rice Imports From PRC, U.S. Noted

OW2102091594 Tokyo KYODO in English 0824 GMT 21 Feb 94

[Text] Tokyo, Feb. 21 KYODO—Rice traders expressed concern Monday [21 February] about the delay in Japan's emergency imports of rice from the United States and China for March.

The Food Agency says there is no need to worry about the pace of shipments of foreign rice, but traders say the agency is too optimistic.

"It might be difficult to secure necessary amounts of U.S. and Chinese rice next month, so domestic and Thai rice will be used to make up for them," one rice trader said.

The agency has said it plans to import 70 percent of total rice consumption for table use for the March-June period—20 percent each from Thailand, China and the U.S., and 10 percent from Australia.

Japan's monthly rice consumption for table use is some 500,000 tons, meaning that the agency has to import 350,000 tons of rice a month.

But Japan has imported only 200,000 tons so far for March supply, making it necessary to import 150,000 tons by the

end of this month as it usually takes at least a month to place rice for sale on shelves after importation.

"The pace of rice imports (from China and the U.S.) has been picking up since the second half of February, so there is no concern," a Food Agency official said.

But rice traders said both the U.S. and China face problems exporting rice smoothly.

"A ship must often wait a long time at a (Chinese) port for rice to be loaded, in part because they have no experience in exporting and importing rice," said an official at one rice importer.

As for Californian rice, traders pointed to time-consuming sanitary inspections at U.S. ports.

"It will be necessary to raise the portion of domestic and long-grain Thai rice which has been imported smoothly," said an official at Beikoku Data Bank, a rice market research agency.

DPRK 'Must' Open Undeclared Nuclear Sites

OW2102052594 Tokyo KYODO in English 0512 GMT 21 Feb 94

[Text] Tokyo, Feb. 21 KYODO—Prime Minister Morihiro Hosokawa said Monday [21 February] Japan will press North Korea to open its undeclared nuclear plants to international inspection.

Hosokawa, speaking to a House of Representatives Budget Committee session, said North Korea's agreement last week with the International Atomic Energy Agency (IAEA) is not enough to diffuse suspicions about the country's nuclear weapons program.

"The acceptance of (the IAEA's) inspections at only seven (declared nuclear facilities) cannot solve the problems," Hosokawa said.

In coordinated steps with the United States, South Korea and China, Japan will continue to urge the north to abandon its threat last March to withdraw from the nuclear Nonproliferation Treaty (NPT), the premier said.

He said Pyongyang must allow IAEA scientists to inspect two undeclared nuclear plants at Yongbyon, about 90 kilometers north of the capital. Some Western nations suspect the sites are being used to produce weapons-grade plutonium.

Hosokawa also urged the north to join South Korea in declaring the Korean peninsula a nonnuclear zone.

He said his government does not believe the north has already developed nuclear weapons but he voiced concern about the nuclear issue. "We have heard various reports."

On the Japan-U.S. trade dispute, Hosokawa said both nations "should move ahead toward the direction of revising the trade imbalance" out of a fear that worsening relations would have an adverse effects on the global economy.

Hosokawa and President Bill Clinton met earlier this month in Washington but failed to strike a deal on a new framework to slash Japan's trade surplus of more 50 billion dollars.

The collapse of the talks stemmed from a disagreement over a U.S. demand to set numerical targets to measure the openness of Japanese markets. Japan rejected the demand which it said would lead to managed trade.

Hata Urges DPRK To Keep Inspection Pledge

OW2202023594 Tokyo KYODO in English 0223 GMT 22 Feb 94

[Text] Tokyo, Feb. 22 KYODO—Foreign Minister Tsutomu Hata urged North Korea Tuesday [22 February] to keep its pledge to accept international inspections of its nuclear facilities.

Although Japan has welcomed Pyongyang's promise to open its nuclear facilities to inspections by the International Atomic Energy Agency (IAEA), "Japan will not welcome it any more if it is not to be carried out," Hata said at a news conference.

Hata's remarks represented a criticism of North Korea which on Monday informed the IAEA that it plans to grant visas to IAEA inspectors after first talking with the United States.

Inspectors for the UN nuclear watchdog agency had planned to begin checks of North Korean nuclear facilities this week, but have yet to receive the necessary visas from Pyongyang.

Hata also suggested that Japan will closely follow the issue, saying the situation may change in a couple of days since North Korea has asked the international nuclear watchdog for discussion.

In Washington, the State Department said the U.S. will not set a date for the third round of high-level talks with North Korea until IAEA inspections begin.

Watanabe: Cargo to DPRK Should Be Scrutinized

OW2202091594 Tokyo KYODO in English 0854 GMT 22 Feb 94

[Text] Tokyo, Feb. 22 KYODO—Former Foreign Minister Michio Watanabe urged the government Tuesday [22 February] to tighten customs inspections of cargo and luggage going to North Korea to prevent a possible "outflow of Japanese high technology."

At a luncheon meeting at the Foreign Correspondents' Club of Japan, Watanabe described customs inspections in this area as "lax."

"Regarding the inspection of the carry-on baggage of Korean residents going to North Korea from the port of Niigata, inspections have been loose," said Watanabe, head of the opposition Liberal Democratic Party's No. 3 faction.

"Bulldozers, for example, have been claimed as carry-on baggage on the vessels and have been brought back to North Korea." He maintained that such goods should be subject to more stringent inspections.

Watanabe, concurrently deputy prime minister and foreign minister under former Prime Minister Kiichi Miyazawa, said that some Korean residents might have hidden high-technology products among cargo and luggage brought back to North Korea aboard a ferry from Niigata.

His remarks followed raids by Japanese police in January on some trading houses and makers of high-technology products, accused of exporting to North Korea "spectrum analyzers" for radio waves that are included on the Cocom list of restricted technology.

Cocom refers to the Coordinating Committee for Multilateral Export Controls. Press reports said North Korea might have used the equipment to upgrade the accuracy of the guidance system of its "Nodong" missiles.

Watanabe said, "because Japan has laws to prohibit the outflow of high-technology products to North Korea, it should invoke the laws strictly."

Watanabe urged Pyongyang to accept international inspection of two undeclared nuclear sites, on top of the seven declared nuclear facilities whose checkups it said it will accept.

"Unless North Korea accepts inspections of the undeclared sites, it will never be able to clear up suspicions," about its alleged nuclear arms manufacturing program, he warned.

"It is quite insufficient to allow the inspection only of the (seven) nuclear facilities it had earlier declared" to the IAEA, he said.

Watanabe also urged the governing coalition not to take retaliatory measures against the United States, even if the administration of President Bill Clinton imposes the "Super 301" punitive trade rule.

"Japan should not react emotionally," he said. "I can understand the U.S. frustration well, as Japan has run a chronic 50 billion dollar trade surplus with the United States."

Suspension of NATO's Serb Air Strikes Hailed

OW2102095194 Tokyo KYODO in English 0917 GMT 21 Feb 94

[Text] Tokyo, Feb. 21 KYODO—Japan on Monday [21 February] welcomed NATO's suspension of air strikes against the last Bosnian Serb guns snowbound on the hills around Sarajevo.

"Our country hails the avoidance of air strikes," Chief Cabinet Secretary Masayoshi Takemura told a news conference.

"We hope this will lead to a first step toward peace not only in Bosnia but also in the former Yugoslavia as well," the top government spokesman said.

A deadline for the Serbs to withdraw their heavy weapons or surrender them to United Nations peacekeepers expired at midnight Sunday GMT with some of the weapons still in place on the snowy mountains around Sarajevo.

But NATO agreed not to launch air strikes after Yasushi Akashi, a Japanese national who serves as the UN special envoy in Sarajevo, said he sees no need to do so, at least for the moment.

Vice Foreign Minister Kunihiro Saito also welcomed NATO's suspension of air strikes against the Bosnian Serbs, saying it is a great step forward toward a peaceful solution to the problems in the former Yugoslavia.

Saito told a press conference Japan will steadily implement its contribution plan hammered out earlier this month after a government mission toured the former Yugoslavia in early January.

Under the plan, Japan will not participate in UN peace-keeping operations there "at present" but will extend humanitarian assistance of between 10 million and 15 million dollars to international organizations.

Tokyo also plans to boost economic and technical aid to Macedonia.

Saito also welcomed Russia's initiative in persuading Bosnian Serbs to begin a major withdrawal of heavy weapons around Sarajevo.

He said, however, the latest avoidance of air strikes is not the final solution since the problems in the former Yugoslavia are deep-rooted, and called on all concerned parties to try to solve the problems through peaceful means.

Safety Urged for Relief Agencies in Afghanistan

*OW2202082494 Tokyo KYODO in English 0804 GMT
22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—Japan called on warring factions in Afghanistan Tuesday [22 February] to allow international relief groups to deliver emergency supplies needed to stave off starvation and death from cold for thousands of civilians.

Japan is deeply concerned about escalating armed hostilities that have caused a large number of civilian casualties in various regions of Afghanistan since January, Foreign Ministry Spokesman Terusuke Terada said in a statement.

Japan strongly calls on all concerned parties in Afghanistan not to use force to obstruct humanitarian aid activities, Terada said.

He was referring to reports that some armed groups have blocked aid efforts by groups such as the International Committee of the Red Cross.

Last week, a UN official said that hundreds of thousands of internally displaced refugees could die of cold and lack of food, and estimated that 200,000 citizens are trapped in fighting in Kabul.

Terada said the Japanese Government is also concerned about the effect of the hostilities on the repatriation of Afghan refugees.

Some 5.2 million Afghan refugees are waiting to return home from Pakistan and Iran, Terada said.

From 1979 to 1993, Tokyo extended 420 million dollars worth of aid to Afghan refugees through the UN High Commissioner for Refugees (UNHCR) and the World Food Program (WFP).

Japan has not yet recognized the Afghan Government, which was established after the fall of communist President Najibullah in April 1992.

In January, hostilities intensified between the rival forces of President Borhanoddin Rabbani and loyalists of Prime Minister Golboddin Hekmatyar.

Israeli Knesset Speaker Honors Late Tokyo Favey

*OW2202110494 Tokyo KYODO in English 1025 GMT
22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—Israeli parliamentary leader Shevah Weiss [name as received] participated in a ceremony Tuesday [22 February] honoring the late Chiune Sugihara, a Japanese Vice Consul to Lithuania who provided transit visas to some 6,000 Jews fleeing Nazi persecution during World War II.

Weiss met earlier in the day with Prime Minister Morihiro Hosokawa and invited him for official visit to Israel, Japanese officials said.

The speaker of the Knesset, or Israeli parliament, arrived in Japan on Monday as leader of the first Knesset delegation officially invited by the Diet, or Japanese parliament.

On behalf of Israel, Weiss received an original visa issued by Sugihara during a ceremony at the Israeli Embassy.

It was presented by Sugihara's widow, Yukiko, and Sumiko Simkin, widow of Joseph Simkin, a recently deceased Polish Jew who was a beneficiary of Sugihara's past humanitarian action.

Embassy officials said the visa will be preserved in the Yad Vashem, a national Holocaust memorial in Jerusalem.

Simkin, who also participated in rescue operations during the war in Poland and Lithuania, came to Japan on the visa and remained as a businessman until his death last year.

As Nazi forces rolled across Poland, Sugihara issued in August 1940 transit visas to Japan for 6,000 Jews without prior authorization from Tokyo.

He was ordered to resign from the Foreign Ministry in 1947 and died in July 1986 at age 86. In October 1991, the ministry posthumously rehabilitated him and apologized to his widow.

In Israel, Sugihara has been awarded the title of "righteous among the nations" and a small grove in a Jerusalem suburb is named after him.

Embassy officials said Weiss, a holocaust survivor, will visit the atomic-bombed city of Hiroshima on Friday to lay a wreath at a memorial.

Tokyo To Grant 1.11 Billion Yen to Benin

OW2102141294 Tokyo KYODO in English 1339 GMT 21 Feb 94

[Text] Tokyo, Feb. 21 KYODO—Prime Minister Morihiro Hosokawa told Benin President Nicephore Soglo on Monday [21 February] that Japan will give the African republic 1.11 billion yen to help purchase medical equipment for a national university and other equipment for the state-run broadcasting station.

Hosokawa made the pledge in a meeting with Soglo, who arrived in Japan earlier in the day for a four-day visit, Foreign Ministry officials said.

The meeting lasted nearly 40 minutes and was followed by a 75-minute dinner, both at Hosokawa's official residence.

The Japanese aid includes 565 million yen to help Cononou National University improve its medical equipment and another 500 million yen as a nonproject grant-in-aid, the officials said.

It also includes 46 million yen as the first cultural grant-in-aid to purchase equipment for the state-run television station to produce educational and cultural programs, they said.

The Japanese Government has already pledged Benin a total of 400 million yen worth of aid in fiscal 1993 that ends March 31, 1994.

The aid included 100 million yen in food and 300 million yen to increase the production of food, the officials said.

Benin, a small country in west Africa bordering Nigeria, is a former French colony that became a republic in 1958, changing its name from Dahomey in 1975. It has a population of about five million.

It was under communist rule until 1990 but is currently boosting democratization efforts, the officials said.

During the meeting, Soglo, 59, requested Japanese political and economic support for his nation, they said.

The president is scheduled to meet Emperor Akihito and Empress Michiko on Tuesday. He will visit Nagoya on Wednesday before heading home Thursday.

Soglo visited Japan in 1990 as prime minister to attend the emperor's enthronement ceremony. He also came to Tokyo last October to attend an international conference on aid to Africa.

Ruling, Opposition Parties on Political Reform

OW1902132394 Tokyo NHK General Television Network in Japanese 10003 GMT 18 Feb 94

[Announcer-read report; from the "NHK News 7" program]

[Text] Ruling parties and the opposition Liberal Democratic Party [LDP] held a meeting of the Consultative Council today to discuss ways to amend the Political Reform Law, but they failed to reach an agreement on the issue of setting a limit on the public raising of funds for political parties, which the LDP has strongly demanded. They will hold another meeting of the council early next week.

At today's meeting, the LDP asserted that the public raising of funds for political parties be limited to one-third the amount of funds the political parties raised publicly a year earlier and requirements for political parties raising the funds publicly be stringently laid down. The ruling parties, however, opposed the LDP's proposal, citing the disparities of revenues among political parties and the impossibility of newly formed political parties to raise the funds.

The LDP proposed at the meeting of the Consultative Council that both the ruling and opposition parties decide on the demarcation of single-seat constituencies without entrusting all matters to the Constituency Demarcation Deliberation Council mandated to decide on the demarcation of single-seat constituencies for the House of Representatives and both ruling and opposition parties decide on a bill on the demarcation of the single-seat constituencies. In response, the ruling parties agreed in principle to the LDP's proposal and the ruling and opposition parties will hold another meeting of the council to discuss ways to draft the bill.

The ruling and opposition parties also agreed to set up subcommittees in the council and start full-fledged discussions early next week.

Takenura, Kabe on Closer Sakigake-SDP Dialogue

OW1902062594 Tokyo KYODO in English 0611 GMT 19 Feb 94

[Text] Tokyo, Feb. 19 KYODO—The head of the Sakigake (Harbinger) and a top leader of the Social Democratic Party (SDP) as well as the governor of Hokkaido Prefecture have basically agreed to promote cooperation between the two parties in fielding candidates, sources close to the parties said Saturday [19 February].

The accord includes fielding single candidates of the parties in the next general election, the sources said.

Chief Cabinet Secretary and Sakigake leader Masayoshi Takemura, SDP Secretary General Wataru Kubo and Hokkaido Governor Takahiro Yokomichi, a member of the SDP and its expected future leader, reached the agreement at a meeting in Tokyo on February 12, they said.

The three leaders made the move to promote cooperation between the SDP and Sakigake, two of the seven coalition government partners.

The move was also designed to counter a potential alliance of Shinseito and Komeito, two other coalition parties, the sources said.

Yokomichi confirmed the three-way meeting on Saturday.

The SDP and Sakigake are in favor of a new multiparty system. But Shinseito and Komeito are trying to develop a two-party system, saying the seven governing parties must unite to maintain power against the largest opposition Liberal Democratic Party (LDP).

On Thursday, Takemura met with Democratic Socialist Party (DSP) leader Keigo Ouchi and they confirmed the party would cooperate with the SDP-Sakigake camp, the sources said. Ouchi is also health and welfare minister.

Prime Minister Morihiro Hosokawa and Takemura are at loggerheads as the premier reportedly wants to drop Takemura from his cabinet, sources close to the coalition parties said.

Hosokawa and Takemura played key roles last year in establishing the first non-LDP government in 38 years.

In a related development, Koken Nosaka, chairman of the SDP's Diet Administration Committee, told reporters in Tottori that he favors a "drastic" reshuffle of the Hosokawa cabinet after the Diet approves the fiscal 1994 budget.

Watanabe Hopes for Five Ruling Parties' Merger

OW1902094194 Tokyo KYODO in English 0918 GMT 19 Feb 94

[Text] Aizuwakamatsu, Fukushima Pref., Feb. 19 KYODO—Kozo Watanabe, a senior leader of Shinseito [Japan Renewal Party], voiced support Saturday [19 February] for merging five of Japan's governing coalition parties into a single party.

Watanabe, a former trade minister, made the remarks in a speech in Aizuwakamatsu, Fukushima Prefecture, in northern Japan.

He mentioned Shinseito, Komeito, the Social Democratic Party (SDP), the Democratic Socialist Party (DSP) and the parliamentary group composed of Sakigake (Harbinger) and Japan New Party (JNP) as parties that could form single force to maintain power against the primary opposition Liberal Democratic Party (LDP).

Watanabe said, "we have responsibility for merging the five political forces into a single party prior to the April 1995 nationwide local elections and the July 1995 House of Councillors election."

Shinseito, a splinter from the LDP, would put priority on merging with the JNP, headed by Prime Minister Morihiro Hosokawa, and Sakigake as a first step toward reorganizing Japanese politics, Watanabe said, adding, "we will then call on the SDP, the DSP and Komeito to join the force."

He said the five political forces should forge a single party to satisfy the Japanese people.

Shinseito and Komeito have said the governing coalition parties must unite to create a two-party system, sustain a coalition government and prevent the LDP from regaining power.

The LDP lost its 38-year grip on power last August shortly after its defeat in the July 18 general election.

Murayama Opposes Merger of 7 Coalition Parties

OW2002115394 Tokyo KYODO in English 1126 GMT 20 Feb 94

[Text] Misawa, Aomori Pref., Feb. 20 KYODO—The leader of the Social Democratic Party balked Sunday [20 February] at a proposal to merge the seven ruling coalition parties into a new large party to beat the opposition Liberal Democratic Party in an upcoming general election.

"It is impossible (for the seven) to become a single party due to the differences in their perceptions of the nation and the Constitution," said Tomiichi Murayama, chairman of the biggest force in the governing coalition.

Murayama made the remarks at a news conference while addressing a move to unify the seven parties into a single party, being pushed by Shinseito [Japan Renewal Party] co-leader Ichiro Ozawa and Komeito Secretary General Yuichi Ichikawa.

He was apparently referring to an intracoalition rift on such sensitive issues as a proposal to expand Japan's involvement in U.N. peacekeeping operations and perceptions of the constitutional status of Japan's Self-Defense Forces.

The SDP leader said the seven parties could field joint candidates in each of the newly created, 300 single-seat constituencies for elections for the House of Representatives without forming a single party.

"We should seek to field joint candidates under the outline of taking a joint stand against the LDP," Murayama said.

His comments followed a recent warning by Prime Minister Morihiro Hosokawa that a possible failure by the seven parties to field joint candidates would give the LDP an advantage in general elections by possibly splitting ballots among those voters critical of the LDP.

Murayama ruled out the possibility that his party would immediately merge with the Democratic Socialist Party and Sakigake (Harbinger) to form a new party.

"It was by mere coincidence that (the three parties) shared the same stand of (opposing) the proposed national welfare tax and a cabinet reshuffle," he said.

The three parties were reportedly infuriated earlier this month when Hosokawa and Ozawa sought to impose a 7-percent indirect tax without holding prior consultations with them.

Murayama Reiterates SDPJ To Stay in Coalition

OW2202090794 Tokyo KYODO in English 0846 GMT 22 Feb 94

[Text] Tokyo, Feb. 22 KYODO—Social Democratic Party [of Japan] (SDP) [SDPJ] Chairman Tomiichi Murayama said Tuesday [22 February] his party will remain in the ruling coalition to "enhance the transparency of the country's politics."

In an interview with KYODO NEWS SERVICE, Murayama said "a political force to replace the 38-year-long corruption-ridden politics of the Liberal Democratic Party could not be formed without the participation of the SDPJ."

"That political parties with different stances and policies are supporting the coalition government is, in a sense, a demand of the times, and will heighten the transparency of politics...(the SDPJ's participation) is significant in that sense," Murayama said.

The SDPJ is the leading bloc in the seven-party coalition government of Prime Minister Morihiro Hosokawa, which was launched last August after the ouster of the LDP from power and the placing of priority on legislating political reforms aimed at cleaning up the country's politics.

Asked why the SDPJ would stick with the coalition after last month's enactment of political reform bills, Murayama said "(the next) general elections (under the new system mixing single-seat districts and proportional representation) will be a turning point deciding the framework of the coalition."

As for Hosokawa's plan to reshuffle his cabinet as early as late this month, the SDPJ chief reiterated his opposition, saying "if the reshuffle is conducted to replace a specific minister, it is wrong."

"The most important thing (for the government) right now is pump-priming measures for the economy. Ministers responsible for (enacting) the fiscal 1994 budget should be exerting their efforts for the people and (thus) a cabinet reshuffle at present is inappropriate," Murayama said.

Hosokawa has expressed hopes of reorganizing his cabinet later this month, with the media speculating that this could mean the removal of Masayoshi Takemura from the key post of chief cabinet secretary, perhaps to another position.

Murayama said he would not accept a ministerial post even if urged by Hosokawa to join his new cabinet. "I assumed the SDPJ chairmanship in response to party members' requests to maintain party unity. Circumstances within the party will not allow me to join (the cabinet)," he said.

On financial sources to offset the 6 trillion yen in tax cuts, Murayama said, "the tax cuts apply only to fiscal 1994. I think (the government) will implement tax reductions even after the year...But before that (the SDPJ) will call for a thorough rectification of the inequitable tax system."

Following that, he said, the government should propose and seek the support of the people for a new tax to cover the costs of the ongoing aging of society.

If the government takes other steps to get the support of the people on a new tax to finance welfare and pensions, there will be no need to hold general elections on the issue, he said.

Hosokawa on 'Inclination' for Two-Party System

OW2202034894 Tokyo KYODO in English 0329 GMT 22 Feb 94

[Text] Tokyo, Feb. 22 KYODO—Prime Minister Morihiro Hosokawa said Tuesday [22 February] he has told his top aides to look into the possibility of an alliance of five intraparlimentary groups within the House of Representatives to counter the largest opposition Liberal Democratic Party (LDP).

Reacting to a front-page article in the Tuesday morning edition of a major daily, the MAINICHI SHIMBUN, he told reporters he discussed the matter with top aides in his Japan New Party (JNP).

The MAINICHI said that Hosokawa gave the instruction earlier this month in a bid to eventually unite his JNP with Sakigake (Harbinger), Shinseito, Komeito, the Social Democratic Party (SDP) and the Democratic Socialist Party (DSP).

The premier is seeking a pre-election alliance of the five intraparlimentary groups to win a majority in the next general elections for the lower house, which will feature a new electoral system with 300 single-seat constituencies and 200 seats chosen by proportional representation, the daily said.

JNP and Sakigake currently maintain an intraparlimentary group within the lower house.

Hosokawa's fresh proposal marks a departure from his previous desire to see a multiparty system in Japan and signals his inclination to have a two-party system, which is also favored by Shinseito and Komeito, the MAINICHI said.

But the proposal runs counter to the views of Sakigake leader and Chief Cabinet Secretary Masayoshi Takemura, who favors a coalition of Sakigake and the liberal segments of the LDP, SDP and DSP by distancing itself from Shinseito and Soka Gakkai-backed Komeito.

Takemura, reportedly under pressure from Hosokawa and Shinseito co-leader Ichiro Ozawa to quit the key cabinet post, predicted last weekend that three or four major parties will compete in the next general elections, which may be held in the fall of 1995.

Takemura opposed Hosokawa's five-party alliance plan and said at a news conference that it is "imperialistic" and "expansionist."

Hosokawa-Takemura Relations Reportedly 'Good'

*OW2102152194 Tokyo KYODO in English 1504 GMT
21 Feb 94*

[Text] Tokyo, Feb. 21 KYODO—Prime Minister Morihiro Hosokawa's wife said Monday [21 February] her husband and his chief of staff Masayoshi Takemura have a good relationship, denying press reports that the two men are at odds.

Kayoko Hosokawa said, "It is natural that the premier and the chief cabinet secretary express different opinions," noting that the Hosokawa Cabinet is different from previous governments under control of the Liberal Democratic Party. The difference between Hosokawa and Takemura "doesn't mean a gap between them has widened," she said. "Contrary to media reports, their relationship is not serious."

She also told reporters she has doubts about the media because they often distort facts or write stories based on imagination.

She did not say whether the prime minister wanted to remove Takemura from the key post of chief cabinet secretary and give him another position. The premier has expressed hopes of reorganizing his six-month cabinet later this month, which the media has speculated could mean the removal of Takemura.

Parties in Hosokawa's ruling coalition are divided on an early cabinet reshuffle, with the Social Democratic Party (SDP), the Democratic Socialist Party (DSP) and Takemura's Sakigake (Harbinger) against it, and Shinseito (Japan Renewal Party) and Komeito pushing strongly for it.

Hosokawa, Takemura Discuss Cabinet Reshuffle

*OW2002100194 Tokyo KYODO in English 0934 GMT
20 Feb 94*

[Text] Tokyo, Feb. 20 KYODO—The likelihood of a cabinet reshuffle in late February or early March increased Sunday [20 February] after two previously reluctant coalition parties expressed readiness to accept the move proposed by Prime Minister Morihiro Hosokawa.

Tomiichi Murayama, chairman of the Social Democratic Party (SDP), said, "the cabinet reshuffle comes under the jurisdiction of the prime minister, so we will back it if he is determined to do so."

But he told a press conference that the cabinet should preferably be reshuffled after the Diet passes the fiscal 1994 state budget, possibly around April.

The SDP, the biggest force in the seven-party coalition government, and Sakigake (Harbinger) have opposed an early cabinet reshuffle plan.

SDP Secretary General Wataru Kubo said on a public television news program that he cannot help dropping his earlier dissent if Hosokawa believes the reshuffle is necessary to eliminate policy differences within the cabinet.

The focus of the projected cabinet reshuffle concerns the fate of Chief Cabinet Secretary Masayoshi Takemura.

Takemura, the top government spokesman and leader of the 14-member Sakigake, reportedly alienated Hosokawa and Shinseito [Japan Renewal Party] co-leader Ichiro Ozawa over his opposition to Hosokawa's plan in early February to impose a new 7 percent indirect tax on goods and services. The plan was later scrapped.

Ozawa, a key strategist in the ruling coalition, was reported late last year to have urged Hosokawa to remove Takemura from the key cabinet post.

Takemura, who had put up harsh resistance to the reshuffle plan, withdrew his opposition Saturday by saying in Nagoya that it is up to Hosokawa to decide to reshuffle his cabinet.

Hosokawa and Takemura met Sunday morning to discuss the projected cabinet reshuffle, political sources said.

Sakigake Executive Hiroyuki Sonoda hinted on the same NHK (Japan Broadcasting Corp.) program Sunday that the party is ready to accept the reshuffle if Takemura can retain a cabinet post.

"We have not thought of the possibility that our party may break away from the governing coalition," Sonoda said.

"If the prime minister is in need of our party, it is the best solution (for our party) to continue to help him by remaining within the cabinet," he said.

A reshuffling of the six-month-old cabinet is expected to come at the end of February or early March following passage of a third supplementary budget for the current fiscal 1993, the sources said.

Hosokawa's Japan New Party and six other parties, including Sakigake, the SDP, Shinseito and Komeito, make up the governing coalition.

Meanwhile, Komeito Secretary General Yuichi Ichikawa said on the same program and on a private television program that cabinet changes will take place in late February or early March.

Ichikawa blamed the reshuffle debate on Takemura and said the cabinet changes will be "very limited."

Reportage on Cabinet Reshuffle Issue Continues**Hosokawa Urges Reshuffle Support***OW2102073194 Tokyo KYODO in English 0709 GMT
21 Feb 94*

[Text] Tokyo, Feb. 21 KYODO—Prime Minister Morihiro Hosokawa asked two coalition party leaders Monday [21 February] to agree to his plan to reshuffle the cabinet later this month, which is expected to center on removing Chief Cabinet Secretary Masayoshi Takemura from his post.

Officials said the prime minister filed the request during a three-way meeting with Tomiichi Murayama, chairman of the Social Democratic Party [of Japan] (SDP) [SDPJ], the largest among the seven ruling parties, and Keigo Ouchi, chairman of the Democratic Socialist Party (DSP), who is health and welfare minister.

Murayama reaffirmed his opposition to an early cabinet reshuffle, telling the prime minister, "an early reshaping targeted at a specific cabinet member would cause turmoil."

Ouchi echoed the SDPJ leader and called for prudence on Hosokawa's part, the officials said.

In the meeting, Hosokawa reiterated his hope to reshuffle the cabinet soon after the passage, expected this week, of the third supplementary budget for fiscal 1993 and of bills revising the political reform package, they said.

Hosokawa told Murayama and Ouchi that he will make a decision after hearing the opinions of all the seven coalition party leaders.

The seven parties are divided on the proposed cabinet reshuffle, with the SDPJ, DSP and Takemura's Sakigake against it and Shinseito and Komeito pushing strongly for it.

Hosokawa's own Japan New Party has a formal alliance with Sakigake, making its stand on the reshuffle complicated, while the attitude of the United Social Democratic Party is not clear.

Earlier on Monday, Hosokawa told a session of the House of Representatives Budget Committee that he may think of the reshuffle after the Diet finishes debate on amendments to the political reform package and third supplementary budget conclusion.

Takemura told reporters Monday he has not accepted Hosokawa's plan to remove him from the post of the chief cabinet secretary and name him to another ministerial position.

Newspaper reports earlier Monday said Takemura is ready to give up the key cabinet post.

Reaffirms 'Resolve' 21 Feb*OW2102044694 Tokyo KYODO in English 0433 GMT
21 Feb 94*

[Text] Tokyo, Feb. 21 KYODO—Prime Minister Morihiro Hosokawa reaffirmed his resolve Monday [21 February] to reorganize his six-month-old coalition cabinet at an early date, coalition officials said.

Hosokawa made clear he put priority on a reshuffle during a three-way meeting with Tomiichi Murayama, chairman of the Social Democratic Party (SDP), and Keigo Ouchi, chairman of the Democratic Socialist Party (DSP).

Hosokawa told them it could happen by the end of this month, the officials said.

Both Murayama and Ouchi were opposed to an early reshuffle, which may lead to Chief Cabinet Secretary Masayoshi Takemura being dumped.

Ozawa on Parties Opposing Move*OW2102085894 Tokyo KYODO in English 0834 GMT
21 Feb 94*

[Text] Tokyo, Feb. 21 KYODO—Shinseito [Japan Renewal Party] co-leader Ichiro Ozawa, a powerful figure in the ruling coalition, on Monday [21 February] criticized three coalition parties opposing Prime Minister Morihiro Hosokawa's plan to reshuffle the cabinet.

"Placing posts (of cabinet members) is the prime minister's exclusive authority. We should speak (only) when we are consulted or asked for our opinions. The prime minister should do it by his own decision," Ozawa said at a press conference.

His remarks represented a rebuke against the Social Democratic Party [of Japan] (SDP) [SDPJ], the Democratic Socialist Party (DSP) and Sakigake [Harbinger], the three ruling coalition parties opposing Hosokawa's reshuffle plan.

The proposed cabinet reshuffle is expected to center on removing Chief Cabinet Secretary Masayoshi Takemura, leader of Sakigake, from his post.

Ozawa, who is regarded as the chief coalition strategist, said he will not join the 21-member cabinet upon the reshuffle.

The seven parties are divided on the cabinet reshuffle, with the SDPJ, the largest among the seven ruling parties, DSP and Takemura's Sakigake against it and Shinseito and Komeito [Clean Government Party] pushing strongly for it.

Ozawa reiterated calls for merging all seven ruling parties into a single group to compete with the major opposition Liberal Democratic Party (LDP) in the next general election for the House of Representatives.

Takemura has opposed Ozawa's stand to set up a two-party system in Japan, hoping instead to form a third "liberal" force of Sakigake, the SDPJ, the DSP and reformists from the LDP.

Murayama Drops Objection 20 Feb

*OW2002105094 Tokyo KYODO in English 0721 GMT
20 Feb 94*

[Text] Misawa, Aomori Pref., Feb. 20 KYODO—Social Democratic Party (SDP) Chairman Tomiichi Murayama said Sunday [20 February] his party will drop its objection to a proposed cabinet reshuffle, urging it to be conducted after Diet passage of the fiscal 1994 state budget.

"It is appropriate (to reshuffle the cabinet) after the Diet passes the fiscal 1994 budget or after the current regular Diet session ends," the SDP chief told a news conference.

The budget is expected to get parliamentary approval around April. The Diet, which convened its regular session on January 31, is to wrap up its 150-day session on June 29.

The SDP is the biggest force in the seven-party coalition government of Prime Minister Morihiro Hosokawa. Its objection to the cabinet revamping proposed by Hosokawa has been deemed the biggest obstacle to realization of the proposal.

"The cabinet reshuffle comes under the jurisdiction of the prime minister, so we will back it if he is determined to do so," Murayama said.

Meanwhile, Wataru Kubo, the right-hand man of Murayama, said on a Sunday television program that he cannot help dropping his earlier dissent if Hosokawa believes the reshuffle is necessary to eliminate policy differences within the cabinet.

SDP Secretary General Kubo, however, balked at a growing move to merge coalition parties into a new party to make it easier to field joint candidates in the newly created 300 single-seat constituencies for an upcoming general election.

"It is difficult for coalition partners to form a unified party in view of (the differences in) their perceptions of the nation and political ideologies," he said.

However, he called for coalition parties to make efforts to field joint candidates in the new House of Representatives constituencies to defeat the Liberal Democratic Party and other opposition parties.

Renews Opposition on 22 Feb

*OW2202075794 Tokyo KYODO in English 0741 GMT
22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—The leader of the Social Democratic Party [of Japan] (SDP) [SDPJ] on Tuesday [22 February] renewed his opposition to an immediate shakeup of Prime Minister Morihiro Hosokawa's cabinet.

"Now is the time for the cabinet and ruling parties to act as one in order to do their utmost to get the (fiscal 1994) budget passed," SDPJ Chairman Tomiichi Murayama told a news conference.

He said he wants a cabinet reshuffle to be timed after the Diet approves the budget, possibly around April or later, rather than at the end of this month.

Murayama denied, however, the SDPJ will withdraw from the coalition if a cabinet reshaping counters his viewpoint.

Coalition sources said Hosokawa plans to reorganize his six-month-old cabinet around next Monday after passage of the third supplementary budget for fiscal 1993, ending March 31.

The SDPJ is the largest contingent in Hosokawa's seven-party coalition, which toppled the Liberal Democratic Party from power last August for the first time in 38 years.

Takemura: Budget Before Reshuffle

*OW1902052694 Tokyo KYODO in English 0515 GMT
19 Feb 94*

[Text] Nagoya, Feb. 19 KYODO—Chief Cabinet Secretary Masayoshi Takemura said Saturday [19 February] he is opposed to a cabinet reshuffle before the Diet passage of the 73.08 trillion yen fiscal 1994 state budget.

But Prime Minister Morihiro Hosokawa's chief spokesman said in a speech in Nagoya that the premier has the final say on the reshuffle, which politicians both inside and outside the government say is aimed primarily at dumping Takemura.

He said he has no desire to cling to the post of chief cabinet secretary.

Speaking of a probable realignment of the nation's political parties, Takemura predicted it will revolve around a vision of Japan's future and the characters of political parties.

His statement suggested that Takemura's Sakigake (Harbinger) party will distance itself from Shinseito and Komeito, two of the seven coalition government partners.

Specifically, Takemura expressed hope that his party will be part of a coalition including such reform-minded men as former Justice Minister Masaharu Gotoda and liberal representatives of the Social Democratic Party such as Hokkaido Governor Takahiro Yokomichi.

Extra Budget Clears Lower House Panel

*OW2202135294 Tokyo KYODO in English 1340 GMT
22 Feb 94*

[Text] Tokyo, Feb. 22 KYODO—The House of Representatives Budget Committee on Tuesday approved a third supplementary budget for current fiscal 1993 which is designed to help finance the government's latest pump-priming measures.

The full lower house is expected to pass the supplementary budget later in the day and to immediately send it to the House of Councillors for further deliberations.

The budget is expected to become law Wednesday after obtaining approval from the second chamber, Diet sources said.

The extra budget calls for a spending increase of 2,185.2 billion yen over the second supplementary budget, covering the largest-ever economic stimulus package of 15.25 trillion yen, and an increase of the overall general account budget for the current year ending in March to 77,437.50 billion yen.

Public Investment Reportedly Rises 9.6 Percent

OW1902084894 Tokyo KYODO in English 0830 GMT 19 Feb 94

[Text] Tokyo, Feb. 19 KYODO—Investment by national and local governments in fiscal 1991 that ended in March 1992 rose 9.6 percent to an all-time high of 40.34 trillion yen, reflecting increased public works spending, the Home Affairs Ministry said Saturday [19 February].

The ministry said the rise in state and local government investment stemmed mainly from a jump in local government projects which came to 14.67 trillion yen, up 1.7 trillion yen or 12.9 percent from the previous year.

Ministry officials said local governments are steadily improving infrastructure such as roads, parks and housing.

By category, roads accounted for 26.4 percent of the total investment, followed by educational facilities with 9.1 percent, agriculture, forestry and fisheries projects with 8.3 percent, land preservation programs with 8.2 percent and sewage projects with 7.8 percent.

The ministry said cities and towns accounted for 46.0 percent of total investment, prefectures 32.8 percent and the central government 21.2 percent.

The Tokyo Metropolitan Government headed a list of prefectures in terms of investment, accounting for 4.87 trillion yen or 12.1 percent of the total, followed by Hokkaido with 2.39 trillion yen, Osaka with 2.36 trillion yen and Kanagawa with 2.31 trillion yen.

But in terms of per capita investment, Shimane Prefecture in southwestern Japan topped the list for four years in a row with 497,082 yen, followed by Kochi, Tottori, Hokkaido and Tokyo, the ministry said.

Former Prime Minister Noboru Takeshita, a native of Shimane Prefecture, has been widely credited with a lot of pork barrel projects in his home prefecture.

Okuda: Signs of Recovery in Consumer Spending

OW2202082894 Tokyo KYODO in English 0805 GMT 22 Feb 94

[Text] Tokyo, Feb. 22 KYODO—Japan's top banker said Tuesday [22 February] he sees signs of recovery in consumer spending amid the continued national economic slowdown.

Tadashi Okuda, chairman of the Federation of Bankers Associations of Japan, told reporters that sales are increasing for some home electronics products and other consumer goods.

Okuda also praised the Finance Ministry's recently announced guidelines for banks writing off bad debts, saying they give individual banks a wider range of options.

Indicators Show Economy 'Remains in a Slump'

OW2202075294 Tokyo KYODO in English 0717 GMT 22 Feb 94

[Text] Tokyo, Feb. 22 KYODO—The key indexes of economic indicators remained well below the boom-or-bust line of 50 percent in December, showing that Japan's economy still remains in a slump, the Economic Planning Agency (EPA) said Tuesday [22 February].

The coincident indicator, which represents the current state of the economy, was well below the 50 percent line for the third straight month at 25.0 percent, following a preliminary reading of 20 percent in the previous two months.

The leading indicator, which projects economic conditions a few months ahead, was at 36.4 percent, below the 50 percent line for the eighth month in a row.

Preliminary figures were 41.7 percent for November and 33.3 percent for October.

The index for raw material inventories was down 2.2 percent, falling to the negative side for the first time in two months with the rise in electrical machinery and chemical-related goods shipments.

Machinery orders slipped to the minus side for the first time in two months.

The Nikkei commodity index was up 0.7 percent, showing positive growth for the first time in 10 months due to the smaller drop in nonferrous metal prices.

The rest of the components in the leading indicator remained on the minus side.

In the coincident indicator, the only change was that the department store sales index was flat compared with the negative side it was on in November.

This was attributed mainly to a smaller decline in sales of menswear.

Electricity consumption and the index for commercial sales continued on an uptrend.

The rest of the components such as industrial production, were on the minus side.

The lagging indicator for December was zero percent, unchanged from the preliminary zero percent the previous month.

An official at the EPA said that although the general picture is sluggish, some signs in the individual components point to hopes of a slight recovery.

He noted that among the leading indicator components, employment is picking up in the construction industry due to the demand in public works, and that the floor space of new constructions shows a slight increase.

The housing sector could begin to pick up now that the government has decided to ease housing loan terms in its economic package, the official said.

"I think the figures for January will be better, perhaps even reaching the 50 percent level," he said. "But there's really no knowing what will happen with the possibility of the yen gaining ground," he said, referring to the Japanese currency whose rise could dampen economic recovery.

Diet Asks for Papers on Hosokawa's Sagawa Money
OW2202125594 Tokyo KYODO in English 1231 GMT 22 Feb 94

[Text] Tokyo, Feb. 22 KYODO—A Diet committee decided Tuesday [22 February] to ask both the public prosecutors office and the National Tax Administration Agency to submit any documents they may have concerning a payment of money which Prime Minister Morihiro Hosokawa claims was a loan from scandal-tainted trucking company Sagawa Kyubin.

The House of Representatives Budget Committee made the decision in a bid to substantiate Hosokawa's assertion that he repaid a 1982 loan of 100 million yen from Kiyoshi Sagawa, then chairman of the Sagawa Kyubin group of trucking and parcel-delivery firms and one of key figures in a money-and-mob scandal.

Committee debates on a third supplementary budget for fiscal 1993 were interrupted to deal with the matter after negotiations by senior committee officials over the issue ran into problems, parliamentary sources said.

Hosokawa has said he borrowed the money to buy a condominium and repair his home in Kumamoto, western Japan, and that he repaid the loan by January 31, 1991.

On Tuesday morning, Hosokawa turned in a "certificate" issued by the Tokyo branch of Sagawa Kyubin which says "the 100 million yen has been entirely repaid and collateral rights have ceased."

But two opposition parties, the Liberal Democratic Party (LDP) and the Japanese Communist Party, were not satisfied with the document.

Hosokawa last December submitted a memo to the opposition intended to substantiate his claim.

The Sagawa Kyubin group was embroiled in a money scandal involving a number of leading figures, including Shin Kanemaru, former LDP kingmaker, who was charged with tax evasion last March.

MITI 'Baffled' by Switch on HDTV Format
OW2202105494 Tokyo KYODO in English 1031 GMT 22 Feb 94

[Text] Tokyo, Feb. 22 KYODO—The Posts Ministry's latest decision to change its policy on format of the

next-generation television system has the Trade Ministry baffled, a senior trade ministry official said Tuesday [22 February]. The new policy would not serve anyone's interest in Japan, said the official at the Ministry of International Trade and Industry (MITI) who declined to be named.

The electronics industry was plunged into confusion when a senior official at the Posts and Telecommunications Ministry on Tuesday unveiled a plan to switch from an analog system to a digital system in the format of razor-sharp high-definition television (HDTV). The Posts Ministry has supported the analog system developed by Japan Broadcasting Corp. (NHK), and the electronics industry has invested huge sums of money into its development.

The sudden policy change is "unconvincing" and all segments of Japan—NHK, electronics makers, retailers and consumers—will be affected negatively, the MITI official said.

Akimasa Egawa, director general of the Broadcasting Administration Bureau at the Posts Ministry, announced the switch at a news conference, explaining that NHK's adherence to the analog HDTV system could spawn a new source of trade friction. NHK has been experimenting with analog HDTV broadcasting, known as hi-vision, since 1991, and consumers have purchased hi-vision televisions.

The sudden move toward a change in high-definition TV system standards took consumer electronics companies by surprise, leaving them worried about a possible drop in sales of the HDTV systems now on the market.

"It's certain that sales of the existing products (based on NHK's analog system) will drop," said an official at Sony Corp. Sony and other electronics companies have been betting on the analog HDTV's success to provide them with a long-awaited hit product.

"Our industry as a whole has invested some 300 billion yen," said an official at one major electronics company. But the official and others noted that a shift toward a digital HDTV system will be a benefit in the long run and it is not so hard for them to go after such a system.

If HDTV standards are unified into a digital system, it could save time and money needed to develop different systems and the benefits of mass production could be expected, the official said.

"If there is a change in standards, we will be able to respond to it with the development of a decoder for a digital system," said an official at Toshiba Corp.

NHK itself reacted with anger to Egawa's remarks, saying they hinder the promotion of HDTV systems and run counter to audience expectations. "Mr. Egawa's remarks, which imply a review of the muse system, hinder the progress of hi-vision promotion, spoil the efforts hitherto made by the concerned parties, run counter to audience expectation, and are thus very regrettable," NHK said in a statement.

[illegible]

At the contact, the DPRK and the United States agreed that, as imminent measures to resolve the nuclear issue in a package deal, we would accept inspections necessary to ensure the continuity of safeguards and affirmatively examine working-level contact for the exchange of special envoys if the South Korean side so proposes, that the United States would declare the discontinuation of the Team Spirit joint military exercise for 1994, and that the DPRK and the United States would jointly announce the date of the third round of DPRK-U.S. talks.

What had been stressed, in particular, in the agreement was that the inspections we would receive from the IAEA must be thoroughly [choltu cholmi] restricted to [kukhan] inspections for ensuring the continuity of safeguards. However, no agreement had been reached on the scope of the inspections because the IAEA Secretariat, completely ignoring the DPRK-U.S. agreement, had pressured us to receive complete [wanjonhan] regular and irregular inspections and because the United States, in a breach of faith [sinuirul choborigo], had unjustly defended the agency's Secretariat.

This had made us no longer entertain expectations from the DPRK-U.S. talks and express our official position that we had no alternative than to make a necessary choice. Then, the United States and the IAEA withdrew [cholhoe] their previous request for regular and irregular inspections on their own and stated that they would conduct inspections solely for ensuring the continuity of safeguards, and, as a result, the final decision on the scope of inspection could be made this time.

We welcome the fact that the United States and the IAEA Secretariat assumed an attitude conforming to the resolution of the issue and consented to the final decision on the scope of inspections for ensuring the continuity of safeguards.

What remains at present is to see what attitude the United States will assume on the practical stage of implementing the agreement between us and the agency.

When agreements on future simultaneous actions are reached, as promised between the DPRK and the United States, a phase will be opened for the IAEA's early inspections to guarantee the continuity of safeguards and for the holding of the third round of DPRK-U.S. talks to achieve a package solution to the nuclear problem.

At a time when the world is welcoming the recent agreement, only the U.S. rightist conservative forces and the Japanese and South Korean authorities are loudly saying that regular and irregular inspections must completely be conducted because the inspection scope agreed upon between the IAEA and us is not enough to verify the transparency of our nuclear activities [haek hwalong], and are openly insisting on conducting even special inspections. This is no ordinary matter. They are insisting this not because they are unaware of the reality of the nuclear issue on the Korean peninsula. This is regarded as nothing but a deliberate scheme [uidojogin chakkan] to prevent the resolution of the nuclear issue and to drive the situation to an extreme.

As the special inspection issue is one of the primary reasons for the announcement of our withdrawal from the Nuclear Nonproliferation Treaty, the continuous insistence on the special inspection is the same as an act aimed at pushing us completely out of the treaty.

The matter of regular and irregular inspections is an issue to be discussed within the scope of the method for a package solution to the nuclear problem when the third round of DPRK-U.S. talks are held, and it cannot be solved by loudly talking about it at present.

The United States must prevent the positive [kungjongjok] development of the situation from reversing itself by fulfilling its responsibilities and duties at this decisive moment [kyolchongjogin taemoge waso], which has come after a lot of trouble, and should contribute to the ultimate solution to the nuclear problem.

If the United States puts the brakes on the resolution of the nuclear issue again by setting unjustifiable conditions for agreeing on the simultaneous actions or sticking to applying pressure, the agreements reached between the IAEA and us cannot be implemented, nor another opportunity like the current one will come again.

We have invariably taken an independent policy [chaju chongchaek], and we all together will cope with any situation. We will continue to carefully watch the development of the situation.

KCNA Reports Statement

SK2102052594 Pyongyang KCNA in English 0513
GMT 21 Feb 94

["DPRK FM Spokesman on Settled Scope of Inspection for Continuity of Safeguards"—KCNA headline]

[Text] Pyongyang, February 21 (KCNA)—A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea answered a question put by KCNA today as regards the recent definition of the scope of inspection to ensure the continuity of safeguards by the DPRK and the International Atomic Energy Agency (IAEA).

He said:

An agreement was reached on the scope of inspection for the continuity of the safeguards at the negotiations between the DPRK and the IAEA in Vienna on February 15.

The agreed inspection is not a routine or an ad hoc inspection under the safeguards agreement but an inspection proper to the specific status of the DPRK after the temporary suspension of its declared withdrawal from the Nuclear Non-proliferation Treaty. Its main purpose is to confirm the non-use of nuclear materials for other purpose after the last inspection and thereby ensure the continuity of the safeguards. This accords with the spirit agreed upon at the DPRK-U.S. contact in New York on December 29 last year.

At the contact the two sides agreed on immediate measures aimed at a package solution to the nuclear issue, whereby the DPRK would accept an inspection required for the continuity of the safeguards and affirmatively examine a possible proposal of the South Korean side for a working-level contact for an exchange of special envoys, while the United States would declare the cancellation of its "Team Spirit" joint military exercises in 1994, and the two sides would jointly announce the date of the third round of bilateral talks.

What was specially mentioned there was that the inspection of the DPRK by the agency should strictly be limited to one for the continuity of the safeguards.

However, the scope of inspection had not been decided upon so far because the IAEA Secretariat tried to force upon the DPRK full routine and ad hoc inspections, totally ignoring the DPRK-U.S. agreement and the United States unreasonably defended the Secretariat of the agency, breaking faith.

Under this situation, the DPRK could no longer count on the talks with the United States but was compelled to express its official position that it could not but make a necessary choice.

Such being the case, the U.S. and the IAEA Secretariat voluntarily withdraw their demand for routine and ad hoc inspections and said they would seek an inspection exclusively for the continuity of the safeguards, and this made it possible to decide upon the inspection scope.

We welcome that the U.S. and the IAEA Secretariat have agreed to the definition of the scope of inspection for the continuity of the safeguards, turning to a stance for the solution of the issue.

What remains to be seen is what attitude the United States will take in the practical stage of the fulfillment of the agreement between the DPRK and the agency.

If an agreement on the follow-up steps of simultaneous action is reached as promised between the DPRK and the United States, it will open a phase for the agency's early inspection for the continuity of the safeguards and, furthermore, for the opening of the third round of DPRK-U.S. talks and a package solution to the nuclear issue.

The world is now welcoming the recent agreement. However, the U.S. right-wing conservative forces and the Japanese and South Korean authorities alone are crying that full-routine and ad hoc inspections must be made and even openly demanding a "special inspection", arguing the inspection scope agreed upon between the DPRK and the IAEA is insufficient for verifying the transparency of the nuclear activities of the DPRK. This is a very ill-boding act.

This cannot be construed otherwise than a claim motivated by an intention to block the progress of the solution of the nuclear issue and lead the situation again to an extreme phase, not by their ignorance of how the issue stands on the Korean peninsula.

The "special inspection" is one of the main reasons that compelled the DPRK to declare its withdrawal from the Nuclear Non-proliferation Treaty and so the persistent demand for it is, in the final analysis, tantamount to an attempt to drive the DPRK out of the treaty.

The routine and ad hoc inspections are a matter which should be discussed within the framework of a package solution of the nuclear issue if the third round of the DPRK-U.S. talks open. This matter will never be solved, even though they demand them now.

The United States should fully discharge its responsibility and obligations at this crucial moment which has been brought about with much trouble, thus checking the reverse of the present positive development of the situation and contributing to the final solution of the nuclear issue.

If the United States again put the brakes on a solution to the nuclear issue, attaching an unreasonable condition to an agreement on the steps for simultaneous action, or resorting to pressure, it would be impossible to implement the points already agreed upon between the DPRK and the IAEA and there would be no more chance as now.

We consistently follow a policy of independence. We will counter whatever possible cases.

We will continue to watch the future developments.

Commentary Denounces Plan To Deploy Patriots

SK2202141994 Pyongyang Korean Central

Broadcasting Network in Korean 1150 GMT 22 Feb 94

[Commentary by Chong Pong-kil: "Warmongers' Reckless Military Reinforcement Maneuvers"]

[Text] These days, the South Korean puppets are all the more viciously stepping up maneuvers to prepare for a new war. According to broadcast reports from Seoul, the puppet defense ministry is reportedly examining a plan to bring in Patriot missiles from 1997 as part of the next-generation anti-air defense project.

The puppet defense ministry and the headquarters of the joint chiefs of staff are reportedly pushing ahead with the plan to bring in the Patriot missiles because Nike Hercules and Hawk anti-air missiles were brought in more than 20 years ago and, furthermore, there is the need to counter the North's missiles. It was also learned that the puppet defense ministry secretly informed lawmakers of the national defense committee of the puppet national assembly of its plan some days ago. Before the national assembly interpellation session, an opposition lawmaker distributed a script that proved that the puppet defense ministry had included introduction of the Patriot missiles in the SAM-X project starting in 1997.

In addition, it was known that the South Korean puppets are carefully examining the introduction of the Russian S-300 PMU missiles. In a script distributed for the national assembly interpellation in advance on 21 February, the puppet defense ministry revealed that it will

decide on the ultramodern weapon systems, after conducting a comparative study of similar weapon systems from around the world, and thus hinted that the purchase of the Russian S-300 PMU missiles is under review.

This clearly shows how much the South Korean puppets are running amok in the military reinforcement to prepare for a new war and reveals the rascals' antinational, bellicose colors. As is already known, in connection with the criminal acts of the U.S. and South Korean puppets to deploy the Patriot missiles, we cleared our stance on 31 January through the Foreign Ministry spokesman's statement.

Voices opposing the deployment of the Patriot missile to South Korea are also strongly resounding among the South Korean people. One example of this is that on 19 February, hundreds of youth, students, and people in Seoul carried out demonstrations shaking their fists to protest the plan of the United States to deploy the Patriot missile to South Korea. They shouted slogans of "Yankees go home!" and "Do not import weapons!" and carried out demonstrations.

Nevertheless, the South Korean puppets are planning to drag in the Patriot missile to South Korea at any cost and are even planning to drag in Russian-made missiles. This shows very well what the situation of the rascals' maneuver to prepare for a new war to invade the North is.

The maneuver to indiscriminately import missiles by the puppets is an intolerable challenge toward all the people who desire the country's peace and peaceful reunification. It is also an act that can be carried out only by a group of war maniacs running toward the road of war and confrontation.

It is clear to anyone that the deployment of up-to-date missiles including the Patriot missile to South Korea will bring about a very dangerous situation in which it will all the more aggravate the tense situation in our country and increase the danger of war. Moreover, launching a criminal maneuver of dragging in up-to-date missiles at a time when violent remarks that enhance war mania are being made everyday among the bellicose elements in the United States and South Korea cannot but be regarded as a grave matter.

The Kim Yong-sam ring which is even planning to drag in missiles which are murderous weapons because it lacked even dragging in some 1,000 various nuclear weapons to South Korea to change it into the largest nuclear advance base of the Far East, is a very wicked nation-seller and a warmonger's group that greatly surpasses his predecessors, the military fascist dictatorial maniacs.

All facts prove that if the bellicose group such as the Kim Yong-sam ring that does not even hesitate to push the nation toward nuclear calamity is left alone, the danger of war cannot be eliminated in our country.

The Kim Yong-sam ring is trying to maintain the remainder of its dirty doomed life by clinging to the outside forces at the price of advancing as the shock

brigade of the aggressive policy. However, this is a foolish act. This will only advance their destruction. The Kim Yong-sam ring must contemplate over the grave consequence which the reckless war maneuver will bring about, act with discretion, and immediately stop the maneuver to bring in up-to-date missiles including the Patriot missile.

KCNA Notes Protest Against Patriots in Seoul

SK2102051494 *Pyongyang KCNA in English* 0447
GMT 21 Feb 94

[Text] Pyongyang, February 21 (KCNA)—An estimated 300 members of the National Alliance for Democracy and Reunification [Chonkukyonhap] of South Korea held a citizens' rally for the realization of national sovereignty in front of the Myongdong Cathedral in Seoul Saturday and protested against the scheme of the U.S. imperialists to ship "Patriot" missiles into South Korea, according to a radio report from Seoul.

They expressed indignation at the fact that the puppet clique are kicking up a row over the fictitious "nuclear issue" of the North, in conspiracy with the United States, and concern over the situation of the Korean peninsula which has been more strained by such anti-DPRK campaign.

After the rally they staged a demonstration, shouting anti-U.S., anti-"government" slogans.

South's Opposition Urges Cancellation of Patriots

SK2002082994 *Pyongyang KCNA in English* 0819
GMT 20 Feb 94

[Text] Pyongyang, February 20 (KCNA)—The opposition Democratic Party of South Korea in a statement released by its spokesman Saturday urged the U.S. Government to drop the projected deployment of Patriot missiles in South Korea, which might provoke the North, a radio report from Seoul said.

The statement also demanded that the South Korean authorities pursue a self-determined diplomacy for the relaxation of the tensions on the Korean peninsula, said the radio.

Kim Yong-sam Blamed for Failure of N-S Agreement

SK1902053794 *Pyongyang KCNA in English* 0524
GMT 19 Feb 94

["Papers Call for Overthrow of Kim Yong-sam Traitorous Group"—KCNA headline]

[Text] Pyongyang, February 19 (KCNA)—It is two years since documents of inter-Korean agreement were effectuated, but they have failed to bear fruit and have become sheets of waste paper today.

Papers here today say this is entirely because the "civilian"-veiled traitorous "government" of Kim Yong-sam has denied the principles of independence, peace and great national unity and obstructed their implementation on unreasonable grounds.

An analyst of NODONG SINMUN says:

The effectuation of the North-South agreement and the joint declaration on denuclearization was proclaimed at the sixth North-South high-level talks February 19, 1992. This was an epoch-making event which served as a landmark in moving toward peace and reunification of the country.

Had both the North and the South fulfilled the documents of agreement, they would have been able to part with the past marred by distrust and confrontation, bring about a new epoch of reconciliation, remove the danger of war and open a bright horizon of peace and reunification of the country.

The Kim Yong-sam puppet clique, however, pursued the policy of dependence on outside forces more zealously than its predecessors and resumed the Team Spirit joint military maneuvers with the United States under the pretext of "suspicion surrounding the nuclear development" of the North, the war game which had been suspended toward the end of the "Sixth Republic." This was tantamount to declaring its refusal of all dialogues and its overt nullification of the documents of agreement.

The puppet clique laid hurdles in the way of DPRK-U.S. talks and completely opened the rice market of South Korea, yielding to pressure from its U.S. master, though its predecessors had not dared to do so.

Although the Kim Yong-sam fascist clique cried for "reform" and "liquidation of the past" it has left intact the "National Security Law," the "Security Planning Board" and the "Secret Affairs Command," turning South Korea into a grave of human rights and democracy. It has broken up the dialogue and cooperation between the authorities of North and South which had been held in the period of the "Fifth and Sixth Republics" dictatorship and blocked nongovernmental dialogue and contact.

Since the traitor Kim Yong-sam took office in South Korea, the acts of flunkeyism, treachery, fascism, confrontation and war have become more undisguised and vicious, the people's desire for independence, democracy and reunification has been put down, the documents of agreement between the North and the South have been reduced to waste paper, dialogues have collapsed and the situation has become worse than in the days before the adoption of the North-South agreement.

As long as such traitor as Kim Yong-sam is left alone, neither reconciliation and unity of the nation nor the peace and reunification of the country can be achieved and only confrontation and war will befall.

The anti-national, anti-reunification group forsaken by the people must be overthrown.

An analyst of MINJU CHOSON says:

The Kim Yong-sam puppet government is a stumbling block in the way of reunification. If the cause of national reunification is to be promoted, the block must be removed resolutely.

Daily Criticizes South's 'Mobilization Posture'

SK2102053094 *Pyongyang KCNA in English 0452*
GMT 21 Feb 94

["Reckless Frenzy of Simpletons"—KCNA headline]

[Text] Pyongyang, February 21 (KCNA)—The South Korean authorities at a "meeting of officials concerned with mobilization" some time ago called for a full "mobilization posture" of para-military forces to cope with an "emergency".

Branding this as a reckless frenzy of simpletons, NODONG SINMUN in a commentary today says the recent move of the Kim Yong-sam traitorous clique is very ill-boding as it is a criminal step usually taken by warmaniacs on the eve of war.

The news analyst goes on:

This year, too, the Kim Yong-sam puppet clique has held war confabs not infrequently allegedly to "cope with an actual war" and "establish a posture of immediate counteraction", and openly declared that they would resume "Team Spirit" or stage another military exercises.

The puppets are also making haste with the deployment of Patriot missiles in South Korea with the United States, unusually scaled up their "military budget" and are hell bent on arms buildup. The fact that the Kim Yong-sam group now has put on the order of the day the question of mobilizing para-military forces ten million strong in a war against the North tells that the war frenzy of "civilian" warmaniacs has reached an extremely dangerous stage.

Due to such criminal moves of the puppets, the situation of the Korean peninsula now is in a dangerous phase reminding one of the time when the U.S. imperialists and the South Korean puppet clique unleashed the war to invade the North in 1950.

While the Kim Yong-sam traitorous clique resorting to criminal moves to ignite a war in a "civilian" guise is left intact, our fellow countrymen cannot live in peace even a moment, nor can they evade a bloodletting from another war. Kim Yong-sam, a traitor to the nation and the enemy of peace and reunification, must be removed in good time.

Daily on 'Struggle' Against Rice Market Opening

SK2202050094 *Pyongyang KCNA in English 0451*
GMT 22 Feb 94

["Doom of Kim Yong-sam Group Sealed"—KCNA headline]

[Text] Pyongyang, February 22 (KCNA)—With the Kim Yong-sam traitorous group left intact, it is inevitable that the South Korean people fall a prey to outside forces.

NODONG SINMUN today says this, commenting on the persistent struggle of South Korean people against rice market opening.

Holding that if the Kim Yong-sam group has a shred of national conscience, it must promptly cancel the rice market opening as demanded by the South Korean people, the analyst says:

The Kim Yong-sam group, however, schemes to legally finalize the opening of the rice market, twaddling about "the final plan for the implementation of the agreement" and "follow-up measures."

Worse still, it brands the demand of the people for renegotiation concerning the rice market opening as a call for "isolation" of South Korea and their struggle as "violence," answering it with fascist suppression.

The Kim Yong-sam group keeps all the repressive forces in full readiness for action to crack down on the people's struggle any moment. Its criminal intention is to suppress the people's resistance at the point of the fascist bayonet and hurriedly take follow-up measures by all means for the liberalization of rice import.

The South Korean people, incensed against the Kim Yong-sam traitorous clique, are now resolved to turn out in a mass struggle to foil its policy of rice market opening and overthrow the self-styled "civilian government."

It will not be long before the Kim Yong-sam puppet clique meets its disgraceful doom.

ROK Party Chairman's Policy Speech Denounced

*SK2002085694 Pyongyang KCNA in English 0826
GMT 20 Feb 94*

[Text] Pyongyang, February 20 (KCNA)—Papers here today comment on a "speech" on the "policy orientation" of the "Democratic Liberal Party" of South Korea by its Chairman Kim Chong-pil, the traitor.

NODONG SINMUN in a commentary brands the traitor Kim Chong-pil's malicious slander against the DPRK over the "nuclear issue" as an open challenge to the DPRK's sincere efforts for reconciliation, unity and dialogue and an unpardonable criminal act of trampling upon the desire of the fellow countrymen for reunification.

The analyst points out:

The South Korean puppets are the criminals who have created nuclear threat on the Korean peninsula by shipping nuclear weapons into South Korea and have stepped up their own nuclear armament. So they are not in a position to talk about the "nuclear issue" of the DPRK.

It is the height of impudence for the puppets to meddle in the problem that should be solved through negotiations between the DPRK and the United States and say this or that in this regard.

That day the traitor Kim cried over "armed provocation" by the North and raved that it should be checked. His outburst is a shameless act that reminds people of a thief crying "Stop Thief!"

By calling for "close cooperation with friendly countries," he meant, in essence, to slay fellow countrymen with the sword of outside forces.

It cannot be forgiven and overlooked that he cried the South "should not make haste with unification" and that it should "make full preparations for reunification by prevailing over the North". He revealed in this a heinous intention to keep the division for an indefinite period, dawdling away time and achieve "reunification by prevailing over communism" through a war, not a peaceful reunification.

The traitor Kim Chong-pil's outcries for "predominance over the North," revealing the scheme to delay reunification and his reiteration of the doctrine "unification by prevailing over communism" that is not possible any time are all unpardonable anti-national criminal acts, says the commentary.

MINJU CHOSON in a signed commentary says if the "Democratic Liberal Party" continues to bar national reunification with the outcries for "unification by prevailing over the North" and "unification by prevailing over communism" that are impossible, they will face a stern judgment by the people.

Japan Urged To Stop 'Campaign' for UN Sanctions

*SK2102105494 Pyongyang KCNA in English 1035
GMT 21 Feb 94*

["Japanese Reactionaries Must Stop 'Economic Sanctions' Campaign"—KCNA headline]

[Text] Pyongyang, February 21 (KCNA)—The Japanese authorities are reportedly arguing that full-scale routine and ad hoc inspections must be made because the scope of inspection for the continuity of safeguards agreed upon between the DPRK and the International Atomic Energy Agency (IAEA) is not enough to verify the transparency of the nuclear activities of the DPRK.

Japanese Prime Minister Hosokawa, answering a question put by Former Foreign Minister Michio Feb. 18, said "in case economic sanctions are adopted by the UN Security Council with a final breakdown of agreement between North Korea and the IAEA, the Japanese Government would show a responsible response." This cannot be construed otherwise than a deliberate act to block a solution to the nuclear issue on the Korean peninsula and bring the situation back to the extreme phase.

Such act of the Japanese authorities blatantly getting on the nerve of the DPRK well shows that although they "appreciated" in word the result of the negotiation between the DPRK and the IAEA in Vienna Feb. 15, unable to ignore the unbiased public opinion, it was a reluctant talk and they still pursue, in actuality, the policy of isolating and stifling the DPRK through "economic sanctions."

They have long since threatened "economic sanctions in the form of ban on imports and exports, ban on remittance, ban on the entry of ships into ports and freezing of

North Korea's assets." This is a criminal act which may cause an unpredictable, dangerous result.

Even at this time when the DPRK and the IAEA have reached an agreement on the inspection for the continuity of safeguards, the Japanese authorities are talking about "full-scale routine and ad hoc inspections" and "responsible response." It is not hard to guess that their ulterior intention is to frustrate the DPRK-U.S. talks at any cost, obstruct a fundamental solution to the nuclear issue on the Korean peninsula and step up in real earnest their ambitious plan to convert Japan into a nuclear power on the pretext of the fictitious "nuclear issue" of the DPRK.

Their vicious scheme to put "economic sanctions" on the peaceloving DPRK by branding it as a "nuclear culprit" while keeping mum about their criminal attempt to build a nuclear power deserves criticism from unbiased public opinion.

The Japanese reactionaries' outcry for "special inspection" and "economic sanctions" in duet with right-wing conservatives of the United States is as good as trying to push the DPRK out of the Nonproliferation Treaty. It is self-evident that such developments would bring irrevocable, grave consequences to Japan, too.

The Japanese reactionaries must clearly see the staunch will of the Korean people who always maintain independence and are fully prepared for any contingency.

They must look straight at the trend of the times, act with discretion and immediately stop the criminal campaign for "economic sanctions" against the DPRK.

Daily Cautions on Japan's Nuclear Development

*SK2202042394 Pyongyang KCNA in English 0416
GMT 22 Feb 94*

["Dangerous Nuclear War Force"—KCNA headline]

[Text] Pyongyang, February 22 (KCNA)—Concern over Japan pushing ahead with its program of plutonium stockpile was voiced at the International Round Table Conference held in Tokyo.

Commenting on this, MINJU CHOSON today says this reflects the worldwide caution against Japan, which has surfaced as a new nuclear war force in Northeast Asia.

What the Japanese reactionaries intend is to stockpile large quantities of weapon-grade nuclear materials and mass produce and possess nuclear weapons any time, the analyst says, and continues:

Japan's nuclear armament has reached a danger line today. It plans to possess plutonium enough to make 6,200 nuclear bombs in 2010. It is now fully prepared to manufacture nuclear weapons. Japan has more than 150 companies and 3,300 factories engaging themselves in nuclear activities. It set up a nuclear-launching system long ago, and recently developed even a long-range missile, a means of delivery of nuclear weapons.

Japan's scheme of nuclear armament is all the more grave and dangerous because it has opened the way of overseas dispatch of troops.

Its accelerated nuclear armament is a grave threat to peace and security of the Korean peninsula and the rest of Northeast Asia. We must never be Japan's nuclear victim. We will cope with Japan's dangerous nuclear armament with heightened vigilance.

The promotion of the nuclear armament of Japan, our neighbour, in a dangerous stage renders the denuclearization of the Korean peninsula meaningless. To denuclearize Northeast Asia including the Korean peninsula is vital to the building of a nuclear-free world.

The world, not to speak of Asia, must pay due attention to Japan's nuclear armament and launch an international campaign to check it.

Korean Residents in Japan Greet Kim Chong-il

*SK1902052594 Pyongyang KCNA in English 0446
GMT 19 Feb 94*

[Text] Pyongyang, February 19 (KCNA)—The dear leader Marshal Kim Chong-il received messages of greetings on his birthday from the Standing Council of the Federation of Korean Traders and Industrialists in Japan, the Central Standing Committees of the League of Korean Youth in Japan, the Democratic Union of Korean Women in Japan and the Union of Korean Teachers in Japan, the Standing Council of the Central Education Association of Koreans in Japan, the Central Standing Councils of the Association of Korean Social Scientists in Japan, the Association of Korean Scientists and Technicians in Japan, the Central Standing Committee of the Union of Korean Literary Men and Artists in Japan, the Council of the Association of Korean Journalists and Publishers in Japan, the Standing Council of the Federation of Korean Credit Associations in Japan, the Central Standing Committee of the Union of Korean Students Studying at Japanese Schools, the Standing Council of the Federation of Korean Buddhists in Japan, the Association of Koreans in Japan for peaceful reunification and other organizations under the General Association of Korean Residents in Japan (Chongnyon) and their affiliated organizations, CHOSON SINBO, Korean News Service, KUWOL SOBANG publishing house, Kungangsan Opera Troupe, Korea-Japan Export and Import Corporation, Tonghae Co., Ltd. and other business bodies, prefectural headquarters of Chongnyon, the Central Institute of Chongnyon, Choson University, Korean schools in Japan at all levels and compatriots of all walks of life.

Noting that Marshal Kim Chong-il performed immortal exploits by wisely leading the revolution and construction, the messages expressed the determination of officials and compatriots to bring about a new turn in the cause of national reunification and the patriotic work of Chongnyon.

The messages wholeheartedly wished Marshal Kim Chong-il good health and long life.

France Has 'Sinister Intention' on Sanctions

*SK2202104794 Pyongyang KCNA in English 1037
GMT 22 Feb 94*

[**"France Must Ponder Over the Matter"**—KCNA headline]

[Text] Pyongyang, February 22 (KCNA)—France is now misbehaving itself over the definition of the scope of inspection for the continuity of safeguards agreed on between the Democratic People's Republic of Korea and the International Atomic Energy Agency.

LE MONDE recently cried for a "special inspection" of the DPRK, claiming that a "decisive attitude of the international community" should be shown.

This is a pernicious propaganda aimed at casting a chill over the agreement between the DPRK and the IAEA. It reveals the sinister intention of France to force "special inspection" upon the DPRK and take international "sanctions" and pressure against it.

As was already reported, the afore-said agreement has been unanimously welcomed by world public opinion as affirmative developments for a solution to the nuclear issue on the Korean peninsula.

France, however, is obtrusively crying for a "decisive attitude of the international community," ignoring the unbiased opinion. This is not only an intolerable challenge to us but a criminal act to arrest the affirmative developments provided with so much efforts.

Some time ago, the French foreign minister and the Foreign Ministry spokesman argued that the DPRK's "nuclear issue" should be "examined" by the United Nations Security Council. France has called for "sanctions" more than once against the DPRK to isolate and stifle it, in league with the U.S. right-wing conservative forces, Japan and the South Korean puppets.

Such persistent moves of France against the DPRK are apparently aimed at finding a pretext for resuming its nuclear test, charging the DPRK with the fictitious "nuclear issue."

They are also motivated by its wicked design to encourage the United States, a dialogue partner of the DPRK, to confrontation with us to foil the DPRK-U.S. talks, cause a military conflict in Northeast Asia including the Korean peninsula, profit from a massive sale of destructive military equipment and strengthen relations with the South Korean puppets.

We take a serious view of the criminal acts pursued by the French wuthorities to stifle the DPRK.

If France continues to resort to such insidious acts without discretion, it would drink a bitter cup.

France would be well advised to clearly see the situation, ponder over the matter and promptly stop such wicked acts as doing harm to others.

Mideast Supporters Send U.S., UN, IAEA Letters

*SK1902060294 Pyongyang KCNA in English 0529
GMT 19 Feb 94*

[Text] Pyongyang, February 19 (KCNA)—Letters to the U.S. President, the United Nations secretary general and the board of governors of the International Atomic Energy Agency were adopted at a meeting of political parties and political forces in the Middle East for solidarity with the Democratic People's Republic of Korea held in Syria on February 8.

The letter to the U.S. President said the U.S. Government's pressure and threat against people's Korea are not aimed at solving the problem peacefully but at rendering it complicated.

Noting that a proper solution to the nuclear issue on the Korean peninsula is that the United States comes out again to the negotiating table with people's Korea, it demanded that the U.S. forces and nuclear weapons be withdrawn from South Korea and the double-standard policy be renounced in dealing with international issues.

The letter to the United Nations secretary general voiced solidarity with people's Korea subjected to threat and blackmail and called on him to make responsible efforts for the discontinuation of such provocative moves increasing tension.

It noted that the United States must be forced to end the presence of its forces with nuclear arsenal in South Korea, stop the "Team Spirit" joint military exercises and come out to talks, a proper way for a fair and comprehensive settlement of the crisis.

The letter to the board of governors of the IAEA pointed out that the primary cause of the nuclear issue on the Korean peninsula is the presence of the U.S. Forces with nuclear weapons in South Korea.

It urged the IAEA to free itself from the U.S. pressure in the campaign against people's Korea, refrain from applying double standards in dealing with the nuclear issue and take a responsible action.

Further on Visit by Thai Party Delegation

Kim Il-song Receives Gift

*SK1902233994 Pyongyang KCNA in English 1525
GMT 19 Feb 94*

[Text] Pyongyang, February 19 (KCNA)—The great leader President Kim Il-song received a gift from a delegation of the Social Action Party of Thailand on a visit to Korea.

The gift was handed to Secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop by head of the delegation Bunphan Kaeowattana, deputy leader of the Social Action Party of Thailand.

Kim Chong-il Receives Gift*SK1902234194 Pyongyang KCNA in English 1527
GMT 19 Feb 94*

[Text] Pyongyang, February 19 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from a delegation of the Social Action Party of Thailand on a visit to Korea.

The gift was handed to Secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop by head of the delegation Bunphan Kaeowattana, deputy leader of the Social Action Party of Thailand.

Delegation Concludes Visit 19 Feb*SK1902103194 Pyongyang KCNA in English 1017
GMT 19 Feb 94*

[Text] Pyongyang, February 19 (KCNA)—A delegation of the Social Action Party of Thailand led by its deputy leader Bunphan Kaeowattana left here for home today.

It was seen off at the airport by Secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop.

While staying in Korea, the delegation visited Mangyongdae and inspected the Mansudae Art Studio, the Monument to the Victory in the Fatherland Liberation War, the Three Revolutions Exhibition and other places.

Further on Visit by Uruguay Party Delegation**WPK, CPU Issue Joint Statement***SK1902062094 Pyongyang KCNA in English 0453
GMT 19 Feb 94*

[Text] Pyongyang, February 19 (KCNA)—A joint statement of the Workers' Party of Korea (WPK) and the Communist Party of Uruguay (CPU) was published in Pyongyang on February 17.

According to the joint statement, a delegation of the Communist Party of Uruguay composed of Executive Secretary General Petro Balbi and the executive member and international secretary of the Central Committee of the Party visited the Democratic People's Republic of Korea from Feb. 11 to 17, 1994, on the invitation of the Central Committee of the Workers' Party of Korea.

During its stay in Korea, talks were held between the delegations of the two parties, at which the sides informed each other of their conditions and activities and exchanged views on a series of matters of common concern about the present international situation and reached a consensus on the fundamental matters discussed.

The WPK expressed firm solidarity with the CPU in its efforts to develop the party on the principle of Marxism-Leninism and its struggle against the "neo-liberalistic" strategy of the imperialists, after it reaffirmed the continued maintenance of the socialist idea and its working-class nature.

The CPU noted with high appreciation that the Korean people singleheartedly united around the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, are confidently defending and advancing the socialist cause under difficult conditions in which the imperialists are persisting in their anti-socialist, anti-DPRK moves, and expressed full support and solidarity for it.

It also manifested full support to the struggle of the Workers' Party and people of Korea to achieve the reunification of the country in the form of confederation based on one nation, one state, two systems and two governments on the basis of the three principles of independence, peaceful reunification and great national unity laid down by Comrade Kim Il-song.

The sides shared the view that an immediate end must be put to the unwarrantable acts of the western powers, particularly, the United States, in violating the inviolable principles of self-determination of peoples and non-interference in the internal affairs of each country, exercising privileges in the international arena.

They expressed their willingness to make joint efforts to destroy all the old international political and economic orders of domination and subjugation and establish new orders based on equality, justice and social progress.

Delegation Departs 17 Feb*SK1902054894 Pyongyang KCNA in English 0407
GMT 18 Feb 94*

[Text] Pyongyang, February 17 (KCNA)—A delegation of the Communist Party of Uruguay, led by Executive Secretary General of its Central Committee Pedro Balbi left here for home today by air.

It was seen off by Kim Chung-nin, secretary, and Chi Chae-yong, vice-director of a department, of the Central Committee of the Workers' Party of Korea.

The delegation visited Mangyongdae and other places in Pyongyang and local areas.

Canadian Party Presents Gift to Kim Chong-il*SK1802215794 Pyongyang KCNA in English 1538
GMT 18 Feb 94*

[Text] Pyongyang, February 18 (KCNA)—The dear leader Comrade Kim Chong-il was presented with a gift by the Central Committee of the Communist Party of Canada (M-L).

National leader of the party Hardial Bains on a visit to Korea handed the gift to secretary of the C.C. [Central Committee], the Workers' Party of Korea Hwang Chong-yop.

Presents Gift to Kim Il-song

SK1802215994 *Pyongyang KCNA in English 1537*
GMT 18 Feb 94

[Text] Pyongyang, February 18 (KCNA)—The great leader President Kim Il-song was presented with a gift by the Central Committee of the Communist Party of Canada (M-L).

National leader of the party Hardial Bains on a visit to Korea handed the gift to secretary of the C.C. [Central Committee], the Workers' Party of Korea Hwang Chang-yop.

Cilreco Speeches Denounce U.S. on Nuclear Issue

SK1802152694 *Pyongyang KCNA in English 1515*
GMT 18 Feb 94

[Text] Pyongyang, February 18 (KCNA)—Speeches were made at the enlarged meeting of the Executive Committee of the International Liaison Committee for Reunification and Peace in Korea [Cilreco] held in Paris on February 6.

Speaking at the meeting, the honorary chairman of the Cilreco, George Pattas, former Greek general, said what is exasperating with regard to the nuclear issue of the Korean peninsula is that the United States is incoherent in its stand.

"I think if the Clinton administration is willing to find a peaceful solution to the acute nuclear issue of the Korean peninsula through bilateral talks between the DPRK and the United States it must adopt its decision properly at the present crucial juncture," he said.

Robert Parry, British Labour member of the House of Commons, said the prevailing situation requires that the essence of the nuclear issue of the Korean peninsula should be laid bare and the solidarity movement for supporting the Korean people's cause of reunification conducted more vigorously in diverse forms and ways.

He said when the international solidarity movement for supporting the just cause of the Korean people is intensified the United States will not be able to impose any kind of "sanctions" on the DPRK and, even if it is possible to do so, it is bound to end in failure.

Lawyer Stanley Faulkner, vice-chairman of the Cilreco and chairman of the U.S. Lawyers Committee on Korea, said the United States' deployment of nuclear weapons in South Korea is a crude violation of the Korean armistice agreement that prohibits the introduction of new weapons and military hardware from outside Korea, and called for an immediate pullout of the nuclear weapons from South Korea.

He stressed that war rehearsals of the U.S. should be stopped at once as they run counter to the U.N. charter on stopping threat to world peace and solving problems through peaceful means.

Roberto Gabriele, general secretary of the Movement for Peace and Socialism of Italy, said the Cilreco struggling for

the reunification and peace of Korea should lay bare the essence of the nuclear issue of the Korean peninsula by keeping in close contact with the committees for friendship and solidarity with the Korean people across the world and launch an international campaign to check and frustrate the anti-DPRK moves of the United States and its followers. Prof. Paulette Pierson at Libre University in Brussels, Belgium called on the U.N. Commission on Human Rights and governmental and non-governmental organizations to lay bare through international arenas the nature of the Kim Yong-sam "civilian" regime and build up widespread international opinion supporting the democratization of the South Korean society and Korea's reunification.

Joe Debono Greck, Maltese Labour member of Parliament, exposed the persistent despicable moves of some force of the United States to foil the DPRK-U.S. talks, saying it is a big mistake if the United States and its followers think they can frighten the Korean people united in one mind with pressure and threat and representative of the Sandinist National Liberation Front of Nicaragua Esmeralda Cardenas said if Kim Yong-sam truly wants the reunification he should tear down the concrete wall without hesitation as it is a product of the cold war that was built by the military dictatorial "regime". The secretary general of the International Association of Democratic Lawyers, Amar Bentoumi, former minister of justice of Algeria, called on the progressive lawyers of all countries in the world who love justice and peace to launch into an international campaign urging the United States to abandon its hostile policy aimed at stifling the DPRK and implement the principles stipulated in the DPRK-U.S. joint statement in good faith.

Speeches supporting the Korean people's cause of national reunification were also made at the meeting by Robert Charvin, secretary general of the International Committee of Jurists for Democracy and Human Rights in South Korea; Basco Hago Fernandes, chairman of the Democratic Intervention of Portugal; Jaime Ballesteros, international secretary of the Communist Party of the Peoples of Spain, and other figures.

Foreign Parties Send 'Solidarity Letters'

SK1902151594 *Pyongyang KCNA in English 1509*
GMT 19 Feb 94

[Text] Pyongyang, February 19 (KCNA)—Solidarity letters came to the Central Committee of the Workers' Party of Korea [WPK] from General Secretary of the National Council of the Communist Party of India Indrajit Gupta and the C.C. [Central Committee], the Communist Party of India (Marxist) supporting the principled stand of the Democratic People's Republic of Korea for a peaceful solution to the nuclear issue on the Korean peninsula.

Indrajit Gupta said the National Council of his party denounces the United States for bringing the talks between the DPRK and the U.S. to a rupture and hopes for a final solution of the nuclear issue through a peaceful negotiation.

The C.C., the Communist Party of India (Marxist) said the situation created by the U.S. Government clearly shows that the United States is trying to force the DPRK to accept a comprehensive inspection, not an inspection of the scope agreed upon, by using the International Atomic Energy Agency as a serviceable tool for gathering information on Korea for the imperialists, and intensify military plots against the DPRK by gaining time.

A solidarity message supporting the Korean people's cause of national reunification was also sent to the C.C., the WPK by the C.C., the Communist Party of Argentina. Expressing militant solidarity with the WPK, the DPRK Government and people in their just struggle for the peace and peaceful reunification of the country, it voiced full support for the Korean people's cause of defending the banner of socialism and safeguarding the sovereignty of the country.

International Seminar on Chuche Held in Uganda

SK1902232994 Pyongyang KCNA in English 1524 GMT 19 Feb 94

[Text] Pyongyang, February 19 (KCNA)—Figures from different countries took the floor at the international seminar on the chuche idea for the independent development and cooperation of the world peoples which was held in Uganda over February 10-12.

Auma Okumu, dean of a faculty of the Chambogo Normal College of Uganda, made a speech on the subject "His Excellency dear Kim Chong-il is an outstanding thinker and theoretician who has performed great feats for the development of thought and theories of mankind by steadily developing in depth the chuche idea". He said His Excellency Kim Chong-il is exalting the chuche idea founded by President Kim Il-song as the most correct guiding idea of the era of independence by conducting ideological and theoretical activities with rare wisdom and energy.

"His Excellency Kim Chong-il said the independent driving force of history is the integral whole of the leader, the party and the masses and the socio-political organism in which they share the same destiny and gave a new exposition of the position and role of the leader, the party and the masses in the socio-political organism and the basic principle of uniting the organism," he pointed out.

Mono Ndjana Hubert, former secretary of the People's Democratic Rally of Cameroon and head of the chair of philosophy of the Yaounde No. 1 University and director of the Board of the African Regional Committee for the Study of the Chuche Idea, in his speech on the subject "His Excellency Kim Chong-il and theory of socialism" said the theory of socialism expounded by His Excellency Kim Chong-il on the basis of the chuche idea is invincible and is of great vitality.

Yemi Oyeneye, director of the Higher Education Department of the Lagos State Government of Nigeria and director of the Board of the African Regional Committee

for the Study of the Chuche Idea and chairman of the Nigerian National Committee for the Study of the Chuche Idea, said in his speech:

"As it correctly reflects the demand of the popular masses for independence and fully clarifies the way of carrying it into reality, Kimilsungism has become the guiding idea representing a new era in which the popular masses have emerged as the masters of their destiny, and the guideline for building an independent new society."

Joseph Matseka, chairman of the Harare Provincial Committee of the Zimbabwe African National Union-Patriotic Front and a parliamentarian and vice-chairman of the Zimbabwean National Committee for the Study of the Chuche Idea, in his speech on the subject "Noble human traits of His Excellency dear Kim Chong-il" noted that His Excellency Kim Chong-il regards only the popular masses as the pillar of his heart and as heaven. "Devoted services for the people and noble sense of obligation are an important characteristic of his love for humanity and, at the same time, his best virtue," he said.

Ahmed Rahim Taha, dean of a faculty of 'Aynshams University of Egypt, spoke on the subject "Role of cultural intercourse in building new independent world". He said that the chuche idea is the most valuable wealth of the people in the era of independence and called for more brisk dissemination and study of this idea worldwide.

Mbonigaba Stanislas, councillor of the Ministry of Health and chairman of the Rwandan Committee for the Study of the Chuche Idea, noted that to strengthen the unity of the popular masses and increase their role is a decisive guarantee for building a new independent world.

N.T. Mawema, a section chief of the Central Committee of the Zimbabwe African National Union-Patriotic Front, director of the board of the African Regional Committee for the Study of the Chuche Idea and chairman of the Zimbabwean National Committee for the Study of the Chuche Idea, said in his speech that if developing countries are to achieve their independent development against the neo-colonial policy of the imperialists, they must believe in the strength of theirs and their people, seek self-reliance in reliance upon them and actively develop South-South cooperation among themselves.

Baguma Isoke, member of the National Resistance Council, vice-director for youths of the mass mobilisation department of the secretariat of the national resistance movement of Uganda and chairman of the Ugandan National Committee for the Study of the Chuche Idea, said in his speech that the political formula of Western-style "democracy" does not suit the conditions of African countries theoretically and practically and called for drawing on the experiences of Korea in establishing the political formula of progressive democracy based on collectivist outlook on life.

At the seminar, Lokadi Longandjo, president of the Oriental Kasai University and chairman of the Zairean National Committee for the Study of the Chuche Idea,

spoke on strengthening economic independence and international cooperation among developing countries, G.C. Quaynor Mettle, chairman of the Profession, Public Welfare and State Enterprise Commission of Ghana, on replacing the old international economic order with a new equitable one and S. Mushi, chief inspector of the Tanzanian Ministry of Education and chairman of the Tanzanian National Coordinating Committee of the Chuche Idea Study Groups, on developing South-South cooperation.

Latin American Parties Comment on Nuclear Issue
SK1902103494 Pyongyang KCNA in English 1004 GMT 19 Feb 94

[Text] Pyongyang, February 19 (KCNA)—Political parties in Latin American countries recently issued statements concerning the fact that the process of a peaceful solution to the nuclear issue of the Korean peninsula is facing a grave crisis due to moves of the United States.

The Communist Party of Uruguay in a statement February 6 expressed full support to all the steps taken by the DPRK to cope with the obtaining situation. It strongly urged the United States to implement the DPRK-USA joint statement at an early date and keep its promise to the DPRK.

The Communist Party of Brazil in a statement on the same day called upon the progressive political parties, organizations and peoples of all countries in the world to extend support and solidarity to the DPRK in its just struggle for the solution of the nuclear issue.

A statement of the Communist Party of Chile dated February 9 said the U.S. was blocking the solution of the nuclear issue by reversing its agreement with the DPRK and seeking to provoke another war.

The principles agreed upon between the DPRK and the United States constitute the basis for a fair solution of the nuclear issue on the Korean peninsula, said the statement.

The National Leadership of the March 26 Movement of Uruguay in a statement February 8 strongly urged the United States to strictly implement all its promises to the DPRK and the principles agreed upon in the DPRK-USA joint statement.

Mozambican Friendship Committee Issues Appeal
SK1902103694 Pyongyang KCNA in English 1007 GMT 19 Feb 94

[Text] Pyongyang, February 19 (KCNA)—The Mozambican Committee for Friendship with the People of the Democratic People's Republic of Korea on February 10 called on the peaceloving people and revolutionary and friendship organizations across the world to defend great Korea for building a new independent world.

In an appeal titled "Let us defend Korea, the bastion of the world revolution," it said socialist Korea guided by dear

Comrade Kim Chong-il, an outstanding leader of the Korean revolution and the world revolution, represents an ideal human society.

Charging that the United States and the South Korean authorities are working round the clock in nuclear war preparations against a peaceful reunification of Korea, the appeal said that though the United States is now trying to stifle Korea, it would try to conquer another country tomorrow.

It stressed that to defend Korea means to safeguard world peace and security, crop the U.S. feathers, defend the bastion of the world revolution and build an independent world and bring a bright future earlier.

It called on all the countries of the world to cooperate with each other in close unity.

Foreign Functions Mark Kim Chong-il's Birthday
SK1802151094 Pyongyang KCNA in English 1503 GMT 18 Feb 94

[Text] Pyongyang, February 18 (KCNA)—Celebration functions took place in different countries on the occasion of the birthday of the dear leader Comrade Kim Chong-il.

A celebration meeting was co-sponsored by the Department of Politics and Culture of the Central Committee of the Zimbabwe African National Union-Patriotic Front, the Zimbabwean National Committee for the Study of the Chuche Idea and the Zimbabwe-Korea Solidarity and Friendship Association in Harare, Zimbabwe.

Nelson T. Mawema, director of the Department of Politics and Culture of the C.C. [Central Committee], the ZANU-PF [Zimbabwe African National Union—Patriotic Front], said in his speech at the meeting that dear Comrade Kim Chong-il is the illustrious leader of the Korean people who guides the whole affairs of the country such as the party, the state and the people's Armed Forces and a close friend and teacher of the Zimbabwean people.

"Today the United States and other Western forces dare not pounce upon socialist Korea because the dear leader Comrade Kim Chong-il is standing at the head of revolution," he noted.

Various functions such as book and photo exhibitions, film shows, celebration meetings, reading sessions of works revering the dear leader, festive performances and other events were held at an Humajirm Iran College of Jordan, Maputo of Mozambique, Lisbon of Portugal, Accra of Ghana, Belgin of Libya, Islamabad of Pakistan, at the Kinshasa Municipal Library of Zaire and DPRK cultural centres in Dar-es-Salaam and Cairo.

The Zimbabwean paper PEOPLE'S VOICE edited a special writeup and the television and radio of [words indistinct] and the Indian television broadcast celebration programs on the birthday of Comrade Kim Chong-il.

Birthday Messages Arrive From Abroad*SK1902104494 Pyongyang KCNA in English 1015 GMT 19 Feb 94*

[Text] Pyongyang, February 19 (KCNA)—The dear leader Comrade Kim Chong-il received messages of greetings from head of state and party leaders of different countries on the occasion of his birthday.

The messages came from Seychellois President France Albert Rene, Chairman of the Executive Council of the C.C. [Central Committee], the Bulgarian Communist Party (Marxists) Boris Petkov, Chairman of the National Committee of the League of Communists-Movement for Yugoslavia Dragomir Draskovic, General Secretary of the New Yugoslav Communist Movement Branko Kitanovic, General Secretary of the Togolese People's Rally Amous-souvi Vignik Amedegnato and National President of the People's Progressive Party of Gambia I.B.A. Kelepha Samba.

They extended the warmest congratulations to Comrade Kim Chong-il and wished him a long life and good health.

The messages expressed the belief that the friendly relations between their countries and Korea, their parties and the Workers' Party of Korea would further strengthen and develop.

Kim Chong-il Sends White Horse to Central Zoo*SK1902052494 Pyongyang KCNA in English 0441 GMT 19 Feb 94*

[Text] Pyongyang, February 19 (KCNA)—The dear leader Comrade Kim Chong-il sent a white horse to the Central Zoo.

The six-year-old horse is more slender, clever and faster than others.

Comrade Kim Chong-il, who is always deeply concerned for our people's cultural and emotional life, sent 70 animals of 20 breeds to the zoo over the last one year.

Among them there are 14 race horses and small horses.

Kim Chong-il's 'Historical Works' Described*SK1902104194 Pyongyang KCNA in English 1011 GMT 19 Feb 94*

[Text] Pyongyang, February 19 (KCNA)—More than 100 historical works of the dear leader Comrade Kim Chong-il have been published in the last two decades.

20 years ago, today, he published a historical work on modelling the whole of society on the chuche idea, thus proclaiming it as the supreme programme of the Workers' Party of Korea. Since then, he has provided theoretical and practical guidelines for modelling the whole of society on the chuche idea in his many historical works including "On Further Improving Party Ideological Work".

In his works including "On the Chuche Idea", "On Some Problems of Education in the Chuche Idea" and "Let Us

Advance Under the Banner of Marxism-Leninism and the Chuche Idea" he formulated the revolutionary idea of the great leader President Kim Il-song as a system of the ideology, theory and methodology of chuche and indicated the most correct way of realizing independence of mankind.

His works also give allround answers to all the theoretical and practical questions in the revolution and construction, such as the question of strengthening the party and enhancing its leadership role, the question of strengthening the singlehearted unity of the leader, the party and the masses, the question of strengthening the People's Army into invincible ranks, the question of further consolidating the independent national economy, the question of strengthening the people's power and the question of further developing education, science and health services.

Significance of Kim Chong-il Birthday Noted*SK1902110194 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 15 Feb 94*

[Text] The dignity and glory of the DPRK have been brilliant all over the world under the splendid banner of chuche. The people's genuine life has come into full bloom in the socialist fatherland's rivers and mountains.

During the revolutionary turning year when our country's socialist construction enters a new developing stage, we have glorified with loyalty and feats the worthwhile year of struggle when all the party, all the Army, and all the people should be mobilized to bring about the great revolutionary upsurge in all front lines. The morning of the most meaningful day—the February national day—breaks in the chuche-oriented fatherland.

With the unfolding of the history of a new year, 1994, full of confidence and optimism, the February national day is the greatest national felicitous day for which everyone has earnestly waited.

On the morning of the meaningful February national day, the people's minds have been constant, like the blue pine trees in the forests of Mt. Paektu, and have been clear, like the waters of Mt. Sobaek, and are going toward the secret camp—the native home in Mt. Paektu. Mt. Paektu's secret camp is the native home where the dear leader Comrade Kim Chong-il, the sagacious leader [chidoja] of our party and people and the supreme commander of the Korean People's Army [KPA], was born.

The voices of the anti-Japanese fighters that were raised when they experienced the greatest national felicitous day in this humble house now seem to ring out. The future of Korea is brilliant, because Mt. Paektu's bright star is brilliant.

Indeed, the birth of Mt. Paektu's bright star was a grandiose sunrise of the great guiding star that will inherit and complete the chuche revolutionary cause pioneered by the great leader [suryong], was a historic event that promised the brilliant future of mankind, and was a great national

fortune that we should uphold another great man with the Mt. Paektu's legendary hero and the anti-Japanese female general.

Our people have enjoyed the great happiness and glory through 16 February. The immortal *chuche* idea has brought into full play a stronger magnetism and invincible vitality. The party's leadership has become the lifeline, thus all the party, all the Army, and all the people have breathed and acted with a single ideology and consciousness and the *chuche*-oriented socialist cause has been victoriously advanced. This reality shows our party's authority and might.

All the people have been firmly united around the party with fidelity. The communist virtue of devoting all sincerity and even life to society, groups, and comrades is the genuine appearance of our society.

A heyday in all fields, including politics, economy, military, and culture, has been unveiled. The revolutionary line of independence, self-reliance, and self-defense in national defense bears brilliant fruit in our country. This is the outstanding pride and might of our country.

Socialism of our own style has pressed hard on the heels of the enemy without wavering in the face of vicious challenge and threat and of the moves of separation and blockade by imperialists and reactionaries. Our people have been proud of this glorious era in combination with the esteemed name of the dear leader comrade.

All dignity, glory, and happiness that our people enjoy are the greatest privilege and fortune that can be obtained only by upholding the dear leader Comrade Kim Chong-il—great leader with [*yongdoja*] literary and military accomplishments, loyalty, and filial duty; and outstanding ideological theoretician, politician, and military strategist; and model of loyalist unfailingly faithful to the fatherland the people—at the head of the party and the revolutionary Armed Forces.

On the morning of the February national day, all the people across the country are looking up to the building of the party Central Committee on which our glorious party's flag is unfurling.

The compatriots in South Korea and overseas and world revolutionary people turn their envious eyes upon Pyongyang. The people upholding the great leader [*yongdoja*] are the happiest people. The people who do not uphold the great leader are the unhappiest people. This is truth. Looking around today's world, our people deeply feel this truth and they have deeply experienced the truth through their lives. All of our people have the great glory and happiness of upholding the great leader [*yongdoja*].

We extend the greatest glory and warmhearted thanks to the leader Comrade Kim Chong-il. We deeply wish General Kim Chong-il, our supreme commander, long life and good health.

Our people's wish contains not only the absolute faith that we and the fatherland cannot exist without you, but also

the ever-victorious confidence that we can win a victory if you exist. The dear leader comrade has tided over all tribulations with firm will and matchless grit and turned adversity into prosperity by single-heartedly rallying the hundreds of thousands of people through broad-scope politics and the politics of benevolence.

With the great grit of never being shaken by any thunder and lightening and with unrivalled strategy of [word indistinct] everything in the world, the dear leader comrade makes millions of enemies tremble. Our people have been convinced that as long as there is the dear leader comrade, there is nothing that our people fear and cannot implement.

Thus, even when the enemies brought the dark clouds of a nuclear war and threatened our people while talking about special inspections and collective sanctions, our people were not shaken at all. No matter how hard the imperialists may maneuver to separate and blockade us, our people, upholding the party's revolutionary economic strategy, have brought into full play the grit of self-reliance and fortitude and the might of single-hearted unity.

On the morning marking the great national felicitous national day, the only wish cherished deep in the people's mind is long life and good health of the leader comrade.

We wholeheartedly wish the dear leader Comrade Kim Chong-il—fate of our nation, fate of the country, great defender of the socialist cause, and symbol of victory—long life and good health for the sake of the completion and victory of socialism of our own style, independent reunification of the country, realization of turning the whole world into independence, endless happiness of our people, and the prosperity of the country for good.

'Talk' on Kim Chong-il's Ideology, Theory

*SK2002074894 Pyongyang Korean Central
Broadcasting Network in Korean 1000 GMT 17 Feb 94*

[Unattributed talk: "Our People's Great Pride of Carrying Out the Revolution Along the Road Elucidated by the Great Ideology and Theory"]

[Text] Our people, who greet the February national day—the most glorious day of our nation—are overflowing with a great dignity and pride of victoriously carrying out the revolution and construction without the slightest deviation or vicissitudes along the road elucidated by the great ideology and theory that the dear leader Comrade has expounded.

The socialist cause is the cause that the scientific leading ideology can only guide. Today's reality in which socialism has collapsed in many countries and in which it temporarily suffers vicissitudes clearly proves that the socialist cause can be consummated only if the great leading ideology exists. To safeguard, adhere to, and glorify the socialist cause, it is imperative to strongly make the popular masses arm themselves with the socialist ideology.

The leader [*yongdoja*] of the revolution, the outstanding thinker and theoretician, can only carry out the cause for

the development and consummation of the socialist ideology in conformity with the demands of the times and the developing revolution. The most important mission assigned to him, who leads the socialist cause, is to clearly elucidate the future road of the popular masses' cause for independence—the socialist cause—by developing the revolutionary leading ideology.

The socialist cause becomes ever-victorious today in our country, because it is being led by the great ideology and theory expounded by the dear leader Comrade Kim Chong-il. With his far-sighted wisdom, extraordinary faculties of inquiry, and boundless energy, the dear leader Comrade Kim Chong-il has glorified the *chuche* idea created by the respected and beloved leader [suryong] as the great leading ideology of the independent era.

The respected and beloved leader Comrade Kim Il-song has taught: Comrade Kim Chong-il is glorifying our party's *chuche* idea as the great leading ideology in the era of independence by conducting ideological and theoretical activity with his extraordinary faculties of inquiry and energy.

The revolutionary leading ideology cannot be completed at a moment, but instead can be completed in the course of generalizing the experience of the revolutionary struggle based on the conditions of the times and history. After proving its truth in a protracted struggle, the ideology can be completed as a monolithic ideological and theoretical system.

The *chuche* idea created by the great leader [suryong] has demonstrated its invincible vitality through the protracted revolutionary practice and is being constantly deepened and developed. The historical tasks to sum up, systemize, develop, and consummate the principle of the *chuche* idea have been brilliantly carried out by the dear leader Comrade Kim Chong-il's energetic, ideological, and theoretical activity.

Based on his deep study of the contents constituting the basic principle and quintessence of the *chuche* idea, the dear leader Comrade Kim Chong-il has formulized the respected and beloved leader's revolutionary ideology into the monolithic system of method, the ideology and theory of *chuche*. Therefore, this great revolutionary ideology has been glorified as the leading ideology of the times and revolution along with the respected and beloved leader's esteemed name.

With the new principles and contents, the dear leader Comrade Kim Chong-il has further enriched the *chuche* idea and fully deepened and developed it in conformity with the demands of the present times and the developing revolution. Ranging from the *chuche* philosophical principle and the social historical principle to the theory of the *chuche* of revolution, the theory of the sociopolitical organism, and the principle of the *chuche* view of revolution, all of these theories of the *chuche* idea, which have been deepened and developed by the dear comrade leader, are constituted by the profound contents, principles, and theses.

The *chuche* idea has been fully enriched, deepened, and developed based on the new principles and contents. As a result, it has been the leading ideology in elucidating the future road of the popular masses—who want to become the masters of the world and their destinies by thoroughly remolding nature, society, and human beings themselves—as well as the leading guideline that the people carrying out the revolution should always firmly adhere to.

The *chuche* idea in our times is becoming the leading ideology in the era of independence. It is also vigorously leading hundreds of million people throughout the world to the single road of independence by firmly gripping their hearts. Today it is a global trend to follow and learn the *chuche* idea.

Actually, the dear leader Comrade Kim Chong-il's ideology and theory are the great ideology and theory that have further enriched the *chuche* idea and, at the same time, have deepened and developed it into a new higher stage in conformity with the demands of the present times and the developing revolution. It is also a combatant banner that leads the socialist cause in our times to the ever-victorious single road.

The great revolutionary ideology is a result of the energetic ideological and theoretical activity by the outstanding thinker and theoretician. The ideological and theoretical activity by the dear leader Comrade Kim Chong-il, who has developed and enriched the immortal *chuche* idea and who has glorified it as the great leading ideology in the era of independence, is incomparably prominent and extraordinary.

Based on revolutionary practice in our times, the dear leader Comrade Kim Chong-il is thoroughly studying all ideologies and theories and, also, originally developing them. The great ideology and theory that will lead the socialist cause to the victory can be derived from the revolutionary practice.

The dear leader Comrade Kim Chong-il has always satisfied the demands of the times and the developing reality with his theoretical faculties of inquiry and basic principles of [word indistinct], not by the preconceived theories nor existing experience. Also, he has regarded it as a cornerstone of his ideological and theoretical activity to give a scientific solution to the demands.

The pressing historic tasks arising in our present times are to resolutely safeguard and adhere to the socialist cause against the imperialists and betrayers to socialism and to endlessly consummate it. Based on his deep analysis of the tragic event, the so-called collapse of socialism, the dear leader Comrade Kim Chong-il has expounded the great ideology and theory to safeguard and adhere to the socialist cause and to victoriously consummate it.

The basic reason of the collapse of socialism and the socialist ruling parties has been scientifically elucidated in a great number of works—such as "Historic Lesson of Socialist Construction and General Line of Our Party," "On the Fundamental Question of Revolutionary Party Building," and "Abuses of Socialism Are Intolerable"—

published by the dear comrade leader. These works have defined the course of socialism and the future road of the revolutionary party building.

In this way, the dear comrade leader's ideological and theoretical activity has always been carried out in conformity with the demands of the times and the concrete revolutionary practice. We cannot talk about the dear comrade leader's speculation and research without the struggle to safeguard and adhere to socialism.

By conducting the ideological and theoretical activity with his thorough practice, the dear leader Comrade Kim Chong-il was able to seek the valuable truth that can give solution to the theoretical and practical problems in the implementation of the socialist cause in our times, as well as to gain an immortal achievement in the revolutionary cause of the working class.

Also, the dear leader Comrade Kim Chong-il's ideology and theory are characterized as profound and encyclopedic. The socialist cause raises a great number of the theoretical and practical problems—unexpected, complicated, and difficult—in our present time. The dear leader Comrade Kim Chong-il has given clear solutions to them, small or big, in the revolution and construction.

The dear comrade leader's ideological and theoretical activity has affected all fields, including politics, economy, military affairs, and culture. He has also given an ideological and theoretical solution to all problems arising in party building, state building, and armed construction, as well as in carrying out the external work and the cause for the national reunification. The dear leader Comrade Kim Chong-il has solved, one by one, all problems profoundly, perfectly, and philosophically, while dealing with the ideological and theoretical problems in the various fields.

The dear leader Comrade Kim Chong-il's ideological and theoretical activity has also possessed the thorough serve-the-people spirit. The dear comrade leader has always conducted the ideological and theoretical activity among the popular masses. He has always gone down to the masses by saying that his command, leadership ability, and virtues can be originated from the popular masses. Thus, he has expounded the valuable ideology and theory after listening to the popular masses' voices, reflecting their aspiration and desire, and analyzing and summing up their struggling experience. Therefore, our party's ideology and theory are an expression of the popular masses' aspiration and desire.

Because of his correct reflection of the popular masses' aspiration and desire, the people have accepted the dear comrade leader's ideology and theory as their firm and solid faith and will. The richness, encyclopedic nature, profoundness, and creativeness of the dear leader Comrade Kim Chong-il's ideology and theory cannot be possible without his outstanding wisdom and extraordinary faculties of inquiry.

From the very beginning, the dear leader Comrade Kim Chong-il has had a great knowledge of all fields. Also, he has possessed his prominent insight, analytic thinking,

extraordinary memory, and faculties of inquiry as his natural gifts. Because he has such extraordinary gifts and ideological and theoretical abilities, the dear leader Comrade Kim Chong-il has brilliantly carried out historical tasks—which cannot be done by anyone—in our times and has led the socialist cause to the single road of victory.

The dear comrade leader's ideology and theory is a revolutionary banner that inspires the spirit of the world revolutionaries, as well as the world progressive people who struggle for sovereignty, independence, and socialism, and that elucidates their future road. Today the revolutionary people seek ways to promote their advance based on the dear comrade leader's ideology and theory. They are more vigorously conducting their struggles to restore the socialist cause, overflowing with conviction and spirit of vigor.

The driving force and invincible vitality of the great ideology and theory are being vigorously proven with each passing day. Our people are overflowing with boundless dignity and pride of carrying out the revolution with the great ideology and theory that glorify the *chuche* idea along with the esteemed name of the dear leader Comrade Kim Chong-il. They have firmly resolved to more thoroughly embody his ideology and theory at the risk of their lives.

The dear leader Comrade Kim Chong-il has gained a greater achievement with his energetic activity of ideology and theory. This achievement will shine forever along with the people's struggle for socialism in our times.

Article Praises Kim Chong-il's Leadership

SK2202074794 Pyongyang Korean Central
Broadcasting Network in Korean 0338 GMT 16 Feb 94

[NODONG SINMUN 16 February article: "We Will Win Only If You Are With Us"]

[Text] One great faith is ringing the era and history. Our people who are vigorously advancing along the single road of socialism of *chuche*, firmly united as one mind around the great leader [*widaehan yongdoja*], are loudly expressing the faith in the certain victory that we will win only if you are with us. Today when a troubled and chaotic atmosphere of confusion and pessimism is increasing everywhere in the world due to the raging storm of counterrevolution, we hear the exciting exclamation that was heard in Korea of the sixties as a victor's answer! Why is this exciting exclamation so strongly hitting the hearts of a countless number of people and creating the waves of excitement in today's struggle and life of ours? We will win only if you are with us. Here, the great, firm faith in certain victory of our times, in which our people are staunchly traversing the road of socialist march, while fighting their way through all sorts of formidable adversities, is oscillating profoundly.

The great leader Comrade Kim Il-sung has taught: Because Comrade Kim Chong-il is outstandingly inheriting our revolutionary cause everything is being properly carried out in our country today and will be properly carried out in the future, too.

Faith in certain victory is synonymous with faith in the leader [yongdoja]. The faith in certain victory which one can have comes from one's awareness of the greatness of the leader [yongdoja] and one's absolute trust in him. We will win only if you are with us. This is a solemn declaration of the faith in the certain victory of our people who have keenly felt through their formidable and complicated struggle that the dear comrade leader is the destiny of the fatherland and the symbol of victory and who have firmly believed the final victory of socialism through his greatness.

Greeting the February holiday, a significant day in the history of our nation and country, this morning our people's hearts are soothing with the ideological feeling of upholding the great leader [widaehan yongdoja] with one mind of reverence and excitement. What is bursting forth from the hearts of the people who are running to the native house in the secret camp of Mt. Paektu where snow flowers bloom; from the hearts of those people who are visiting significant historic sites of the revolution with red Kim Chong-il flowers despite the cold weather in February; from the hearts of officers and men of the Korean People's Army who are cultivating their strength of annihilating the enemies, cherishing in their hearts the dignity and honor of upholding the great commander; from the hearts of the working class who are holding aloft the flames of innovation under deep deadends in mine galleries, upholding the party's revolutionary economic strategy; and from the hearts of functionaries who are devotedly working, mingling with the masses? It is precisely our people's absolute trust in the dear comrade leader and their firm faith that we will win if only you are with us.

An old hero in Kangson revealed his excited mind as follow: We will win only if you are with us. This word is precisely the faith which makes our hearts burn and which gives us strength and courage. No matter what storm may blow and may hit earth we will always be victorious only if General Kim Chong-il is with us.

We will win only if you are with us. This word is not only Korea's spirit of the times, which is burning in our struggle and life, but is also a vigorous pulse of all of our struggles and advances and a strong mettle of our nation.

Faith is trust. Human beings should have trust. The people who are carrying out the revolution should have the pillar of a firm mind. Trust is the faith and will that enable one to be true to one's principle and conscience under all adversities and trials. It is the burning zeal and fighting spirit that make it possible to surmount any difficulties. It is also the faith, vitality, and mettle that make it possible to advance toward a bright future without faltering.

Without trust we cannot avoid the destiny of endless despair, frustration, and destruction—like a ship that has lost a compass on a ocean. The supreme trust of human beings is precisely the trust in his leader.

Christians [kyoin] believe in God as the savior of their destiny, and capitalists believe in only money in the world.

A person who embodies genuine truths and great power in the highest form in the world is the leader [yongdoja] of the revolution. The leader [yongdoja] of the revolution who leads the popular masses into the cause of independence and pushes ahead with history gives one ideas and ideology, wisdom and courage, and strength for unity and invincibility.

General Kim Chong-il is our heaven [hanul]. Because our heaven is boundlessly high and because our heaven is glorious eternally, our hearts feel secure [uriui maumi tundunhago], and our future is bright.

General Kim Chong-il: When we cherish his (?noble call) to our hearts, chuche-oriented truths lit our heads and the blood of loyalty rushes through our hearts. When we call his great noble name, the fire of determination flickers in our eyes and the might of 12 (?generals) springs from our hands.

Great experiences give rise to genuine truths. People consider truths—which they learned from history, realized through experiences, and verified through lives and struggles—to be their belief. Our people has come to have absolute trust for General Kim Chong-il not because any textbook or book or anyone teaches them to do so. Already a half century ago the first generation of our revolution [word indistinct] celebrated the birth of the bright star of Mt. Paektu as the nation's [word indistinct]. They wrote: The bright star of Mt. Paektu is an uncommon, great man who will glorify 10 thousand generations of our nation on trees in all mountains, fields, and rivers in this country.

How is Korea continuously walking along the single road of socialism in high spirits without being shaken or chaotic even when socialism has collapsed in many countries of the world and when the cold wind of imperialism is violently sweeping the entire world? How are revolution and construction advancing more vigorously and why are all people smiling happy smiles at a time the imperialists are desperately maneuvering to crush [apeal] us? From where does this strong nerve, which no political and ideological offensives can shake, which no nuclear weapons can frighten, or which no money can lure, come? This is possible due to our people's absolute trust for General Kim Chong-il.

Our people absolutely trust General Kim Chong-il, who is the great leader [yongdoja] of our party and people and the supreme commander of our revolutionary Armed Forces.

Our wisdom and courage in turning adversity into advantage, the might of our single-hearted unity in creating miracles of the century, and the strong spirit of our invincible Armed Forces: All of this might comes from the wise leadership of great General Kim Chong-il.

People who carry out the revolution believe their leader, their leader [chagi suryong chagi yongdoja], and firmly believe in the victory of the revolution based on the greatness of their leader, their leader [chagi suryong chagi yongdoja].

Standing at the podium of the historic eighth League of Socialist Working Youth Congress in which our young people consolidated their determination to become 5 million people like Yi Su-pok and 5 million guns and bombs that resolutely defend Supreme Commander General Kim Chong-il, a representative expressed the following resolve: People ask us how socialism is ever-victorious in Korea without being shaken when socialism has collapsed in many countries of the world. Every time, we answer filled with pride that we have a great man of the century and a society idealistic to mankind. Supreme Commander Marshal Kim Chong-il is our heaven [hanul], and the chuche-oriented socialism is our earth [ttang]. Because our heaven is high and because our earth is solid, we are victorious all the time.

This is [words indistinct] for General Kim Chong-il, who is the great leader [yongdoja].

Trust for General Kim Chong-il: This gives our people absolute confidence, absolute optimism, and a philosophy for a great victory in our era.

While walking along tens of millions of ri of revolutionary roads under the dear comrade leader's leadership, our people cherished deep in their hearts the notion that he is the people's great leader [yongdoja] who sets directions in history and who decides our destiny and that he is also a banner of invincibility who guarantees the victory of our revolution and socialism and the future of the nation.

The thought that without General Kim Chong-il, neither we nor the fatherland exist, and that a system without him is meaningless—like the darkness without the sun—and the firm belief that only when he exists can we keep our dignity and happiness and defend the socialist cause, and that only when he exists, the earth revolves, history goes on, and mankind can be salvaged from disaster; these are our people's real-life experiences gained from living in today's history and the deepest firm belief of all of us that enabled us to solemnly exclaim: "We will win only if you are with us" looking up to the dear leader Comrade Kim Chong-il.

With such lofty ideological emotion of our people, Comrade Yi In-mo said to a functionary that there was one thing about his experience from the deepest of his heart that he really wanted to talk about and expressed his genuine feeling: After I was returned to the bosom of the Republic, witnessing the fatherland's high spirit and the invincible grandeur of firmly defending the country's independence right and the nation's dignity resolutely against the imperialists, I felt from head to foot that the dear comrade leader is truly a great man. Today, Korea must have the dear comrade leader, and if we only have the comrade leader, the country shall remain strong and the people will always win even if the world disappears.

On the revolutionary road to overcome trials, the people know their leader [yongdoja] and firmly believe in the leader's [yongdoja] greatness in the life-or-death experience that determines destiny. Our people [passage indistinct] the extraordinariness, peerless courage, tested leadership of General Kim Chong-il, who smashes all the

challenges of history to defend our destiny, and trust and follow him with faithful loyalty and filial piety.

There are leaders [yongdoja] who were respected and loved by the people in history, and there are great men praised as [passage indistinct] for their braveness and virtue. However, there has never been a peerless great man, extraordinary hero, and great human being across the ages and countries of the world like our dear comrade leader who perfectly and flawlessly personified all the qualifications and personalities of a leader [yongdoja] at the highest.

The dear comrade leader is an outstanding genius in ideology and theory, an extraordinary giant general in the art of leadership, the utmost reincarnation of faith and will, and a great benefactor who bestows benevolence and love. His ideology and wisdom is a flame for the joy, sorrow, and life that lifts the curtain of the times and lightens the future of mankind, and extraordinary wisdom and surprising insight that clearly sees through everything and grasps the key for victory in a flash.

The art of his leadership is a view of creativity and innovation that sees everything from a new point of view and gives unique explanations, and skillful cleverness and extraordinary sweep that enables him to know the entire country as well as he knows his own palms and move all the people as one. His faith and will is the faithful loyalty that goes on and on along the single road of chuche even if thousands of mountains and exploding volcanoes block the way; the boldness and stubbornness that always sets out on all work in a big way and push it ahead boldly looking down at the world; and the invincible fighting spirit and infinite might that carries out the work once he made up his mind, even if the sky falls.

His love is thousands kinds of love embraced in one bosom that gives joy and happiness; the fatherly and comradely love that blossoms flowers in snow and storm; and the utmost benevolence that would pick up the stars in the sky for the people and lay carpets of the most valuable gems for the joy of the people.

At the time when new political tasks were given to our revolutionary march and many challenges and trials were in front of us, what did we see from the ideology and leadership of the dear comrade leader who presented the slogan "We serve the people" and majestically proclaimed the determination and will of the Workers' Party of Korea to defend to the end and elucidate the popular masses-centered socialism of our style?

What did we witness with emotion in the peerless resolution and courage of the Supreme Commander General Kim Chong-il, who, when the imperialists staged a nuclear war exercise and imposed pressure and threat on us by all means in a bid to crush our Republic in the past, brilliantly defended the country's sovereignty and the nation's dignity by sternly warning that the enemies cannot [words indistinct] and that no one can deny our dignity? What are we witnessing in the great leadership of the dear comrade leader who demonstrated the might of our self-reliant

economy and unfolded a hopeful blueprint of the revolutionary economic strategy despite the imperialists' tenacious economic blockade against us and who made this land full of the beautiful fragrance of communist human beings when the hubbubs of human being's moral corruption and destruction were raised everywhere in the world?

We have the trust that [passage indistinct] and there is an ever-victorious, invincible banner. We have the faith that we are always strong and we will always win victory in all fields because the greatest commander of the world, who are equipped with knowledge and military, is with us.

Because General Kim Chong-il is with us we won victory yesterday, we are winning victory today, and we will win victory tomorrow.

History advances along its own track, and we firmly believe the final victory of our socialist cause. There always exists the great commander and the excellent leader [chidoja] at the head of our revolution. We have firmly grasped the philosophy of great victory, which is the truth of invincible revolution of our times when we are always victorious. General Kim Chong-il! His disposition is always strong and ever-victorious. His bold courage is precisely the will of an unrivaled general. With this bold courage, history advances in this world, and with this will the people are advancing along [word indistinct].

General Kim Chong-il's ideology and wisdom are the supreme ideology and wisdom of mankind; General Kim Chong-il's politics of benevolence are the best in this world; and his firm faith, will, courage, and leadership ability are matchless.

The people firmly believe that even though all sorts of adversities and chaos shake people's minds, we can live better off and can win victory only if General Kim Chong-il is with us and only if we follow him. The road of the revolution is far and rough and difficult. There may be trials and adversities on the road of the revolution.

We who have directly confronted the imperialists should have the firm determination to break through more serious trials and difficulties in the future. We have nothing to fear. Korea is upholding the matchless great commander as invincible and no force can block the historic advance toward socialism.

Imperialism will be ruined without fail, and socialism will win victory without fail. This is the rule of history. Justice and victory are with us, and [word indistinct] and doom are with imperialism. No force can break the single-hearted unity of our party, Army, and people around General Kim Chong-il in this world.

Let us advance toward victory, following General Kim Chong-il, ever-victorious and iron-willed general.

We will win only if you, General Kim Chong-il, are with us. This is the eternal faith of our people.

Poems, Songs Written Under Kim Chong-il Guidance
SK1802153094 Pyongyang KCNA in English 1519
GMT 18 Feb 94

[Text] Pyongyang, February 18 (KCNA)—Many revolutionary poems have been created every year under the wise guidance of the dear leader Comrade Kim Chong-il in the Democratic People's Republic of Korea.

Comrade Kim Chong-il gave a new exposition of the position, role and importance of poetry in the revolution and construction long ago. In the past four years alone, he gave instructions on more than 540 poems and texts of songs written by poets, so they might be masterpieces and models of poetry.

Among them there are 190 poems such as the epic "The Son of [words indistinct] and words of 350 songs including "My Country is Best" and "Tender Smile."

On January 28, 1991, he gave guidance in 13 lyrics and songs written by poets of the Korean literary production.

On the 12th of March, 1993, under a semi-war state, he examined eight poems including the lyrics "He Gives Us a Great Heart" and "Following the Party Forever" and said that they were written well.

The poems and words of songs directed by the dear leader are loved by our workers and people of other strata and give a strong impetus to the dynamic struggle of our people to accomplish the cause of socialism.

Photo Exhibit of Kim Chong-il's Feats Opens
SK1902062294 Pyongyang KCNA in English 0457
GMT 19 Feb 94

[Text] Pyongyang, February 19 (KCNA)—A national photo exhibition opened at the People's Palace of Culture Friday to mark the 20th anniversary of the proclamation of the programme for modelling the whole society on the *chuche* idea.

On display at the exhibition are 80 photographs showing the undying feats performed by the dear leader Comrade Kim Chong-il for the times and revolution with his distinguished ideological and theoretical activities and energetic guidance over the past twenty years since he proclaimed the programme.

Among them are pictures showing him proclaiming the modelling of the whole society on the *chuche* idea as the supreme programme of our party and wisely guiding the work for its realization, such as "the dear leader Comrade Kim Chong-il proclaiming the modelling of the whole society on the *chuche* idea as the supreme programme of our party" and "the dear leader Comrade Kim Chong-il, an illustrious thinker and theoretician".

Present at the opening ceremony together with the working people in Pyongyang were Secretary of the Central Committee of the Workers' Party of Korea Kim Ki-nam and officials concerned.

National Meeting Marks Chuche Proclamation

*SK1802215894 Pyongyang KCNA in English 1535
GMT 18 Feb 94*

[Text] Pyongyang, February 18 (KCNA)— A national meeting was held at the February 8 House of Culture here today to mark the lapse of 20 years since the dear leader Comrade Kim Chong-il proclaimed the programme of modelling the whole society on the chuche idea.

A portrait of the great leader President Kim Il-song and a portrait of the dear leader Comrade Kim Chong-il were placed on the platform of the meeting hall.

The meeting was attended by Premier Kang Song-san, Vice-President Yi Chong-ok and Vice-President Pak Song-chol who are Politburo members of the C.C. [Central Committee], the Workers' Party of Korea [WPK], and other senior officials of the party and the government, generals of the Korean People's Army, men of science, education, public health, culture and art and the press and People's Army soldiers.

Ho Chong-man, chief vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), and Koreans from overseas, staying in the socialist homeland, were present at the meeting.

A report was delivered at the meeting by Yang Hyong-sop, alternate Politburo member of the C.C., WPK and chairman of the Supreme People's Assembly.

The reporter said the dear leader Comrade Kim Chong-il, with a deep penetration into the public sentiment of the times for adopting the revolutionary idea of the great leader Comrade Kim Il-song as the guiding idea and building socialism and communism under its banner and into the requirement of the development of the Korean revolution, published a historical work on modelling the whole society on the chuche idea on February 19, 1974, thereby giving perfect answers to the questions raised by the times and the revolution as urgent tasks.

He said it is an immortal and distinguished feat performed by the dear leader for the times and the revolution that he provided an invincible, mighty ideological and theoretical weapon surely guaranteeing the victory of the revolutionary cause of the working class, the cause of socialism and communism by profoundly expounding and systematizing in an integral way the historical position and characteristic features of the chuche idea, the revolutionary idea of the great leader Comrade Kim Il-song, the only guiding idea of the revolution and construction of our times, set forth the programme of modelling the whole society on the chuche idea and indicated basic tasks of the party's ideological work for its realization and immediate tasks for the purpose.

The reporter went on:

The dear leader formulated the revolutionary idea of the great leader Comrade Kim Il-song as an integrated system of the ideology. Theory and methodology of chuche and

made it a perfect communist revolutionary doctrine for realizing the independence of the popular masses.

The programme of modelling the whole society on the chuche idea is a great programme of building communism. It is a programme to successfully occupy both the ideological and political fortress and the material fortress of communism by transforming man, society and nation as required by the chuche idea and thus completely realize the independence of the masses of people.

With the proclamation of the programme, our party became able to victoriously push ahead with the work for the accomplishment of the revolutionary cause of chuche started by the great leader Comrade Kim Il-song along the most straight road and to more dynamically materialize society on the chuche idea, the singlehearted unity of the leader, the party and the masses has been consolidated as firm as a rock and thus the driving force of socialism further strengthened and a signal advance has been made in all realms of social life including the economy and culture.

All the victories and successes made in the course of the struggle to model the whole society on the chuche idea are precious results of the outstanding and tested leadership of the dear leader Comrade Kim Chong-il.

In order to defend our socialism and successfully accomplish the cause of modelling the whole society on the chuche idea, we must more deeply cherish our single mind of loyalty and remain unfailingly loyal to the guidance of the dear leader.

We should consolidate rock-solid the singlehearted unity of our party and revolutionary ranks behind the dear leader by purely inheriting the tradition of unity and cohesion established when the path of Korean revolution was being paved and effect an uninterrupted upsurge in the revolution and construction, smashing all challenges of the imperialists and reactionaries with the might of singlehearted unity.

Papers Urge Modelling Society on Chuche Idea

*SK1902062194 Pyongyang KCNA in English 0515
GMT 19 Feb 94*

["Papers Call for Accomplishing Socialist Cause Under Banner of Modelling Whole Society on Chuche Idea"—KCNA headline]

[Text] Pyongyang, February 19 (KCNA)—Papers here today dedicate editorials to the 20th anniversary of the proclamation of the programme of modelling the whole society on the chuche idea.

NODONG SINMUN says that the proclamation of the programme by the dear leader Comrade Kim Chong-il 20 years ago was a historical event which opened the road of a revolutionary turn in the building of the Workers' Party of Korea and in the struggle of the popular masses for socialism.

The paper quotes the great leader Comrade Kim Il-song as saying:

"Our revolution has greeted a new upsurge under the guidance of Comrade Kim Chong-il. It was since the start of his guidance that a new turn began to take place not only in the party work but also in the work of the political, economic and cultural domains and great innovations and upsurge have been effected in all the fields of socialist construction."

The paper says:

The 20 years since the proclamation of the programme of modelling the whole society on the *chuche* idea have been decades of gigantic creation and construction in which all the spheres of social life have been thoroughly transformed our own way, with a tight grasp on the idea and theory of the dear leader as the lifeline of the Korean revolution, decades of a proud struggle and victory in resolutely defending and glorifying socialism, determinedly smashing all challenges and obstructions of the imperialists and the reactionaries.

In the course of the efforts to implement this programme, our party's revolutionary line of independence, self-sustenance and self-reliance in defence has been strictly applied in all domains of the state activities and social life and Korean-style socialism has been strengthened and developed into the most solid and viable socialism remaining unshaken in any storm.

And it must be noted that in the struggle to imbue the whole army with the *chuche* idea, the Korean People's Army has been built up into combat ranks of a-match-for-a-hundred soldiers ready to devote their youth and lives for the party and the leader, into invincible army equipped with modern means of attack and defence of our style. This is a proud success defying comparison.

The Korean people have been able to effect changes of the century in all sectors of the revolution and construction under the slogan of modelling the whole society on the *chuche* idea and they owe all this to the wise guidance of the dear leader Comrade Kim Chong-il.

All the party members and other working people should regard it as their first and foremost task to arm themselves firmly with the idea and theories of the dear leader, the basis of our singlehearted unity, and should resolutely defend and glorify the leadership exploits of our party through the application of the *chuche* idea.

MINJU CHOSON calls upon all the officials and working people to increase the might of our motherland in every way and carry to accomplishment the revolutionary cause of *chuche* started in the secret forest of Paektu by more resolutely fighting in singlehearted unity around the dear leader Comrade Kim Chong-il, deeply cherishing the great national honour and happiness in living and making revolution under the leadership of the illustrious leader.

South Korea

U.S. Said To Reconsider Patriot Deployment

SK2002035694 Seoul HANGUK ILBO in Korean
20 Feb 94 p 1

[By Washington-based correspondent Chong Chin-sok]

[Text] It was learned on 19 February that the U.S. Government, accepting the ROK Government's request to reconsider the plan to deploy Patriot missiles in the ROK, decided to tentatively withhold the deployment.

In a meeting with U.S. President Clinton on 18 February, ROK Foreign Minister Han Sung-chu revealed the ROK Government's hope that the deployment of Patriot missiles to the ROK be reconsidered in view of changes in the situation on the Korean peninsula, and President Clinton expressed his will to respect the position and opinion of the ROK Government.

A high-ranking official in Washington said that "the U.S. Government's decision to tentatively withhold the deployment of Patriot missiles to the ROK was made considering the changes in security on the Korean peninsula, including the North Korean acceptance of nuclear inspection, and of the ROK Government's position calling on the United States to take into account forthcoming North-South dialogue and U.S.-North Korea relations."

It has been learned that Gary Luck, commander of the U.S. Forces in the ROK, recently sent an additional request to the U.S. Defense Department that it tentatively withhold the plan to deploy Patriot missiles in the ROK.

Commander Luck had requested earlier the Defense Department mobilization and deployment of Patriot missiles to the ROK considering the state of security affairs on the Korean peninsula, and the U.S. Government approved his request. Based on this, the United States has been reviewing various issues, including the timing of the deployment.

It was also learned that Luck, commander of the U.S. Forces in the ROK, received from Yi Yang-ho, chairman of the ROK Joint Chiefs of Staff, a message from the ROK Government on its position that the timing of the deployment of Patriot missiles to the ROK is not appropriate and that the plan for the deployment should be reconsidered.

Government 'Presently Has No Plans' for Patriots

SK2102031294 Seoul YONHAP in English 0253 GMT
21 Feb 94

[Text] Seoul, Feb. 21 (YONHAP)—Defense Minister Yi Pyong-tae said Monday that the government recognizes the need for U.S. forces in South Korea to deploy Patriot missiles, but said Seoul presently has no plans to purchase them.

Deployment of Patriot missiles in Korea as part of weapons modernization by U.S. forces here would greatly deter the threat of war on the peninsula by strengthening

their defense capability, according to Yi's script of prepared answers for Monday's National Assembly interpellation.

Although in favor of having Patriot missiles in Korea, Yi denied reports that Seoul would purchase Patriots as well as Apache helicopters, saying the Defense Ministry has no such plans at present. He said the ministry will conduct a comparative study of similar equipment from around the world to decide on the best possible defense system if modernization is deemed necessary.

Yi said the Seoul-Washington annual military exercise "Team Spirit" was the most powerful counterbalance against North Korea's nuclear development program. Therefore, it is undesirable for Seoul to first propose suspension of Team Spirit, he added. He admitted that the ministry has drawn up a readiness plan as the South is always under threat of a North Korean attack. South Korean and U.S. intelligence officers meet twice every year to study and appraise North Korea's military power, he said.

General Denies Plans for Imports

SK2102032394 Seoul YONHAP in English 0217 GMT
21 Feb 94

[Text] Seoul, Feb. 21 (YONHAP)—Gen. Cho Yong-kil, director of the Strategic Planning Bureau at the Joint Chiefs of Staff (JCS) headquarters, denied reports Monday that the Defense Ministry plans to bring in Patriot missiles from 1997 as part of Korea's next-generation anti-air defense project.

Defense authorities have looked into replacing aging Nike Hercules and Hawk (homing all-the-way killer) missiles with more advanced surface-to-air missile (SAM) systems because parts will be difficult to get after 2000, Cho said. But no decision has been made on introducing Patriot missiles from 1997 and including them in the long-term weapons procurement blueprint, joint strategic objectives plan (J-SOP), he said. "We will be able to decide on the next-generation anti-aircraft missile project in four to five years, after sufficient testing of similar weapons from all over the world," he said.

Rep. Yim Pok-chin of the opposition Democratic Party (DP) claimed that the Defense Ministry had included introduction of Patriot missiles in the SAM-X project starting in 1997 in Monday's interpellation.

Ministry Examining ERINT Missile

SK2102030494 Seoul KBS-1 Radio Network in Korean
0100 GMT 21 Feb 94

[Text] The ROK Defense Ministry has announced it is examining a plan to replace various types of existing anti-air missiles with new types of missiles. Today, the Defense Ministry said: The ministry is examining a plan to introduce new types of missiles because the Nike Hercules missile our military has is too old and the Hawk missile has limitations for improvement. The ministry also said that it

is examining the Patriot missile and the ERINT [extended-range interceptor missile], which the U.S. Defense Department had recently decided to introduce.

Opposition Calls on U.S. Not To Deploy Patriots

SK2002013494 Seoul THE KOREA HERALD in
English 20 Feb 94 p 2

[Text] Opposition Democratic Party spokesman Pak Chi-won yesterday called on the United States to accept Seoul's demand not to deploy Patriot antimissile batteries in South Korea in order to avoid upsetting North Korea.

"We are supporting Foreign Minister Han Sung-chu's remarks on the Patriot deployment plan," Pak said in a statement.

Foreign Minister Han, who is in Washington to meet with U.S. officials, said Thursday that Seoul was reconsidering whether it still wanted Washington to send Patriot missiles now that tensions with Pyongyang have abated as a result of the North's decision to allow inspections of its nuclear installations.

ROK, U.S. Opposing Positions on Patriots Examined

SK2202025494 Seoul CHUNGANG ILBO in Korean
21 Feb 94 p 6

[By correspondent Chin Chang-uk from Washington]

[Text] The problem concerning the deployment of Patriot missiles to the Korean peninsula is expected to become a delicate diplomatic and security issue as the ROK and the United States have expressed different opinions on the issue. The ROK and the United States agreed in principle to the deployment of Patriot missiles in December 1993 when sanctions on the North were being seriously discussed due to North Korea's persistent negative stance toward the resolution of the nuclear issue.

The two countries began to disagree, however, about the need for the deployment of Patriot missiles after North Korea accepted International Atomic Energy Agency [IAEA] inspections on 15 February.

By formalizing the issue of the deployment of Patriot missiles to the Korean peninsula, in addition to the military preparation for the possibility of North Korea's southward provocation, the U.S. Government used the deployment as a warning to North Korea that a southward provocation should not be attempted and as a political and diplomatic demonstration that the United States can enforce UN sanctions on North Korea.

On the other hand, public opinion in the ROK have focused on political problems, rather than military effectiveness, citing that Patriot missiles are not appropriate for Korean peninsula's terrain and have very low accuracy. ROK media emphasized concern that in addition to such military defects, the deployment of Patriot missiles to the Korean peninsula might arouse negative effects on the acceptance of nuclear inspections by agitating North Korea.

In addition, it was strongly suspected that the United States was trying to sell inefficient weapons to the ROK at a high price. In this regard, Foreign Minister Han Sung-chu visited the United States on 10 February and asked U.S. Defense Secretary William Perry to postpone the decision on the deployment of Patriot missiles to the Korean peninsula until after the IAEA Board of Governors meeting on 21 February.

When North Korea notified the IAEA of its willingness to accept nuclear inspections on 15 February, Minister Han proclaimed in Washington that the deployment of Patriot missiles should be reconsidered and the issue has since become an issue of disagreement on a full scale.

Before and after Minister Han's remarks, the U.S. Defense Department revealed that it will not consider the ROK Government's opinion by raising the objection that the deployment of Patriot missiles is purely a military issue that cannot become an issue in political negotiations and by expressing its intention to separate the Patriot missile issue from political issues.

Before North Korea announced its acceptance of nuclear inspections, the ROK and U.S. Governments agreed that the deployment of the missiles was politically and militarily appropriate. After the notification of the acceptance of nuclear inspections, however, differences in positions emerged because the United States stressed military reasons, while the ROK stressed the Patriots were not needed for political reasons.

The U.S. Defense Department is stressing that the deployment of Patriot missiles to the Korean peninsula has become a major issue because it was reported by the media at the same time the North Korean nuclear issue became an urgent matter. Actually, the deployment has nothing to do with the nuclear inspections in North Korea.

The U.S. stance is that the deployment is part of the plan to establish the Theater Missile Defense system connecting the ROK and Japan—which was planned in 1991 long before the North Korean nuclear issue emerged—when North Korea concluded the development of Nodong No. 1 missile.

The fact that the United States is pushing ahead with the deployment of Patriot missiles at the same time North Korea has accepted nuclear inspections appears it is a strong sales motive to make a final pitch in the prolonged effort to sell Patriot missiles to the ROK, thus taking advantage of the situation.

This is the time for the United States to consider the fact that if they overly stress the sale of Patriot missiles, while the U.S. Army has already selected ERINT [extended-range interceptor missile] as the next-generation interceptor missile instead of Patriots, it may weaken ROK-U.S. security cooperation.

Papers Examine Debate Over Patriot Deployment *SK2202110794*

[Editorial Report] Seoul vernacular newspapers on 22 February carry editorials on the possible deployment of Patriot missiles to the ROK.

The moderate CHOSON ILBO on page 3 carries an 800-word editorial entitled, "Dispute Over the Patriot Missile." The editorial notes that it is understandable that "the deployment of the Patriot missile will be helpful in maintaining security on the Korean peninsula, but if the government is to purchase it for a high price, it will have to examine its feasibility and effectiveness." The editorial goes on to say that it seems that "the Defense Ministry does not have a clear policy on this matter." The editorial says that "if the Patriot missile is a weapon that can effectively take countermeasures against North Korea's airplanes and Scud missiles, it will be of help in deterring war on the Korean peninsula." However, it notes that the plan to deploy the Patriot missile is not purely to build up defense capability and goes on to explain that the Patriot missile is now "out-of-date," and stresses the need to make "prudent" examinations before making a decision on introducing the Patriot missile. The editorial then elaborates on the ROK arms system which is dependent on the United States and notes that the ROK must revise its system in introducing arms. The editorial concludes by stressing the need to guarantee transparency in the process of introducing arms, and that there must be a device to effectively execute the defense budget in its military capability.

The pro-government SEOUL SINMUN on page 3 carries an 800-word editorial entitled, "The Deployment of the Patriot Missile to the U.S. Forces Stationed in the ROK." The editorial starts by saying that "dispute over the deployment of Patriot missiles to the ROK is divided." The editorial says that there is disagreement regarding this matter between the ROK and the United States but notes that it is not a big problem. It goes on to explain that the examination of deploying the Patriot missile is a just matter because "North Korea has already reserved large amounts of chemical and biological weapons and has succeeded in the test of its medium range missile which has a range of 1,000 km." It notes that the deployment of the Patriot missile is the best way to deal with North Korea's missile development. The editorial continues to say that there is no reason to oppose the deployment of the Patriot missile to the ROK, and stresses that "the deployment of the Patriot missile to the U.S. forces in the ROK and introducing it to the ROK Army are different issues." The editorial concludes by saying that "since there is no effective alternative," it hopes that "regardless of North Korea's nuclear development, the up-to-date Patriot missile can be deployed to U.S. forces stationed in the ROK as soon as possible."

Galluci, Hubbard To Visit for Final Discussions *SK2002053094 Seoul CHOSON ILBO in Korean* *20 Feb 94 p 1*

[By Washington-based correspondent Chong Hae-yong]

[Text] Robert Galluci, U.S. assistant secretary of State for political and military affairs; and Thomas Hubbard, deputy assistant secretary of State for East Asian and Pacific affairs, who are in charge of the U.S. channel for nuclear negotiations with North Korea, will visit the ROK late this month or early next month to make final adjustment to the ROK and U.S. positions toward the North Korean nuclear issue and to discuss joint measures. This visit attracts people's attention because it is to be made before the third round of high-level U.S.-North Korea talks, which are expected to be held around mid-March.

A diplomatic source in Washington on 19 February said that Assistant Secretary Galluci, senior delegate to the high-level talks; and Deputy Assistant Secretary Hubbard, delegate to the New York working-level contact, revealed their plan to visit the ROK to ROK Foreign Minister Han Sung-chu when Minister Han visited Washington on 17 February.

The source noted that the third round of talks will include important negotiations in which pending issues such as: special inspection, improvement of relations and establishment of diplomatic relations, and economic assistance. They will be comprehensively discussed and a package settlement will be sought. Therefore, the United States seems to believe that a prior grasp and understanding of the atmosphere and position of the ROK and final-stage discussions with the ROK Government are necessary.

Delay in IAEA Entry in DPRK Raises Questions

*SK1902032994 Seoul YONHAP in English 0313 GMT
19 Feb 94*

[By Yi Tong-min]

[Text] Seoul, Feb. 19 (YONHAP)—North Korea announced Wednesday that it would accept International Atomic Energy Agency (IAEA) inspections, but has taken no steps to back up its promise. North Korea said it would issue visas to IAEA inspectors in the near future, and the speculation was that the team would be able to enter Pyongyang via Beijing this weekend. But as of Saturday morning, no news on the visas had arrived. A Foreign Ministry official said nothing will happen this week.

The timing of the IAEA's entry into North Korea is a crucial point because the agency's Board of Governors meets from Monday. The international community expected Pyongyang to quickly issue the visas so the inspection process could begin before the board meeting, whose main topic is the North Korean nuclear issue.

Only limited flights are available to Pyongyang from Beijing. Even if the inspectors received visas early next week, the flight schedule would allow them to enter North Korea only toward the weekend, which would come after the IAEA board meeting closes.

Then why the delay? Analysts here offer various reasons.

First, some say North Korean supreme leader Kim Il-sung took over the nuclear negotiations from his son and heir-apparent, Kim Chong-il. Confusion arose from this

change, as attested by North Korean officials in New York and at the truce village of Panmunjom who were apparently left in the dark about Pyongyang's decision to accept IAEA inspections.

Even Ho Chong, North Korean deputy chief of mission to the United Nations and representative at working-level contacts with U.S. officials, was unaware of the decision.

North Korean military officials recently contacted at Panmunjom didn't even know their government had invited U.S. representative Ronald Dellums to visit, according to sources in the Military Armistice Commission (MAC). Dellums, who was to arrive in North Korea last week, was known to have cancelled his plans when Pyongyang failed to issue a visa at the last minute, without giving any reason. North Korean negotiators recently asked the U.S. side to present its demands on paper, an uncommon practice.

The analysts say a new situation has developed in North Korea, requiring that all reports to superiors be made on paper instead of verbally as had been the case, backing up their theory of confusion in the hierarchy.

Others say all the delay is due to a much simpler reason—North Korea was "on vacation" to celebrate Kim Chong-il's birthday Feb. 16. The entire nation kow-towed for three days for the junior Kim's birthday last year, and all administrative affairs were frozen during the period. This year is no exception, they say, and visas for the IAEA inspectors will be issued as soon as the regular workweek begins next Monday.

DPRK To Explain to IAEA Position on Inspection

*SK2102002294 Seoul KBS-1 Radio Network in Korean
2305 GMT 20 Feb 94*

[By Cha Man-sun from Vienna]

[Text] The positive [kungjongjok] assessment of North Korea, made when it allowed an overall inspection [chonmyon sachal], is being hampered because the International Atomic Energy Agency [IAEA] inspection team's entrance to North Korea is being delayed.

IAEA Director General Hans Blix will report at the IAEA Board of Governors regular meeting, which will open at 1830 [0930 GMT] on 21 February, that although North Korea allowed an overall inspection, the agency is unable to start the North Korea inspections due to the delay in issuing visas to the inspection team members.

Director General Hans Blix will stress, in particular, that in order to give an entire picture of North Korea's nuclear development, it is necessary for North Korea to provide additional information and allow special inspections [tukpyol sachal] of the two unreported facilities, and that he will continue to promote the solution to these matters as a separate issue while watching how North Korea will implement the Nuclear Safeguards Accord.

After receiving the director general's report today [21 February], the IAEA Board of Governors will discuss the

North Korean nuclear issue as a main agenda item on 22 or 23 February and will urge North Korea to take appropriate steps to allow the overall inspection as soon as possible.

It seems that the IAEA Board of Governors will discuss, in particular, ways to help North Korea become a sincere member of the international community after smoothly solving the special inspection problem with the IAEA and ultimately return to the Nuclear Nonproliferation Treaty [NPT] since it has allowed the overall inspection.

It has been learned that North Korea will send a new three-member delegation from Pyongyang to the IAEA Board of Governors meeting to explain its position on the overall and special inspection issue and the issue of its return to the NPT.

IAEA 'Hopes' To Inspect Two Unreported Sites

SK2202002194 Seoul YONHAP in English 0013 GMT
22 Feb 94

[Text] Vienna, Feb. 21 (YONHAP)—The International Atomic Energy Agency (IAEA) says it hopes to inspect two unreported nuclear facilities in North Korea in addition to seven reported sites at Yongbyon, north of Pyongyang. IAEA Director-General Hans Blix expressed the hope in an opening speech Monday at the Board of Governors' meeting. Blix made it clear that the upcoming IAEA inspection would be limited to checking the seven reported facilities only once and to confirming that North Korea has not diverted nuclear material.

The IAEA Board of Governors, meanwhile, decided to take up the North Korean nuclear issue on Wednesday [23 February], the last day of its three-day meeting. The decision came moments after North Korea sent a telegram informing the IAEA secretariat that it would issue visas for members of an IAEA inspection team after seeing the outcome of its talks with the United States, held in New York early this week.

The North Koreans thus appeared to have erected yet another barrier to IAEA inspections. Blix told Pyongyang last week that the IAEA was ready to send inspectors whenever North Korea issued visas for them. North Korea sent a three-member delegation to the Board of Governors' meeting including Kim Su-kil, a Foreign Ministry official at the ambassadorial level.

"(North Korea's) acceptance of inspections resulted from a North Korea-U.S. agreement," Kim said. The issuance of visas for the inspection team would be linked to corresponding measures the United States has promised to take, Kim said.

As a result, the IAEA inspection team could arrive in Pyongyang on Saturday [26 February] at the earliest, if the U.S.-North Korea contact proceeded smoothly.

Editorial Urges DPRK To Issue Visas to IAEA Team

SK2002051294 Seoul THE KOREA HERALD in
English 20 Feb 94 p 6

[Editorial: "Sincere N.K. Follow-up steps"]

[Text] It is certainly a welcome turn of affairs that Pyongyang has at long last found itself obliged to abide by the rules of the international community. After nerve-wrecking months of dickering and bickering with the United States and the International Atomic Energy Agency [IAEA], North Korea decided to open some of its nuclear facilities to international inspectors—just a few days before the IAEA was to convene its general meeting to decide whether it should refer the North Korean nuclear issue to the Security Council of the United Nations.

Although the North Korean stance in this regard is still clouded in ambiguity, it is our sincere wish that the to-be-resumed inspection will help Pyongyang shed the infamy earned in the international community for its obstinate obsession with nuclear armament and other unsavory behavior. The North Korean decision to remain within the framework of the Nuclear Nonproliferation Treaty (NPT), if accompanied by necessary deeds including reopening of the now-deadlocked dialogue with Seoul, can surely clear stumbling blocks for Pyongyang to progress in talks with the United States and Japan toward rapprochement.

All is not settled with the decision alone, however. What is important, and perhaps more crucial, is how sincerely Pyongyang abides by the terms of the NPT. North Korea must act without intentional procrastination while abiding faithfully by all provisions of the NPT, and readily and honestly submit its nuclear installations to international inspections including those, for example, in the suspected Yongbyon and other areas.

The Pyongyang regime is advised to accept IAEA inspections as soon as possible so as not to arouse unnecessary suspicion unless it has an ulterior motive for lingering. Surely, the sooner the better for the North if it is really interested in obtaining the confidence required to salvage its faltering economy. It should waste no time in issuing visas to IAEA inspectors who are all packed and ready to travel.

Regrettably, North Korea has so far rejected Seoul's repeated calls for mutual inspections of suspected sites in both Koreas. An early conduct of such trial inspections would certainly relieve Pyongyang of any suspicions that might arise in the course of implementing procedural steps. The inter-Korea inspections, based on the denuclearization declaration of the Korean Peninsula, will be an important step that can, if followed up by action, lead Pyongyang to gain international trust badly needed for its viability.

Now that it has decided to allow IAEA inspectors into its nuclear facilities, North Korea has no option but to sincerely, and more importantly, quickly, implement required measures. It would be folly for North Korea to remain under suspicion simply by fumbling with excuses. There will be no way to conceal Pyongyang's ulterior nuclear intentions, if any.

Clinton Assures Han of U.S. Stance in DPRK

*SK1902015494 Seoul YONHAP in English 0104 GMT
19 Feb 94*

[Text] Washington, Feb. 19 (YONHAP)—U.S. President Bill Clinton on Friday assured visiting South Korean Foreign Minister Han Sung-chu that there will be no high-level talks between Washington and Pyongyang unless there is an exchange of special envoys by the two Koreas.

Saying he was happy to receive a personal letter from Korean President Kim Yong-sam, Clinton stressed the importance of inter-Korean dialogue and cooperation between Seoul and Washington in resolving the North Korean nuclear problem, according to Korean envoy on nuclear affairs Kim Sam-hun.

The U.S. President said he looked forward to meeting President Kim at the Asia-Pacific Economic Cooperation (APEC) summit slated for Jakarta, Indonesia, in November.

Han, delivering a verbal message from Kim, said Seoul welcomed Pyongyang's acceptance of International Atomic Energy Agency (IAEA) inspections, but noted it was just the first step toward a resolution and Seoul thus wished to continue close cooperation with Washington.

Kim was quoted as saying that because of Pyongyang's unpredictability given past experience with the communist regime, South Korea and the United States should tread cautiously in dealing with North Korea. Kim also stressed that Seoul and Washington will abide by the principles—implementation of IAEA inspections and exchange of presidential envoys between South and North Korea—that are prerequisites to a third round of North Korea-U.S. high-level talks as agreed at a summit last November in Washington.

Clinton reportedly responded to Kim's personal letter delivered last week by reaffirming the initial Seoul-Washington agreement on thorough and broad settlement of the North Korean nuclear problem.

Han tried to schedule a meeting with Clinton during his Feb. 10-11 stay in Washington before visiting Canada to personally deliver Kim's letter, but failed due to the Washington-Tokyo summit.

The foreign minister made a second stop in Washington to coordinate further efforts on the nuclear problem following North Korea's acceptance of IAEA inspections. He headed for Seoul after his meeting with Clinton.

Opposition Party Delivers Message to Clinton

*SK2002073894 Seoul YONHAP in English 0721 GMT
20 Feb 94*

[Text] Washington, Feb. 19 (YONHAP)—South Korea's opposition Democratic Party [DP] on Saturday delivered to U.S. President Bill Clinton a message calling for peaceful resolution of the North Korean nuclear question. The message, signed by party head Yi Ki-taek, was handed

to State Department officials by party Reps. Chong Tae-chol and Cho Sun-sung for delivery to the White House. The two DP solons were here attending the Korea-U.S. 21st Century Committee.

The message expressed the hope that the U.S. Administration will handle the nuclear issue with patience, saying that the party is opposed to any sanction against North Korea that may build up tension on the Korean peninsula. Also emphasizing the particular importance of agriculture in Korea, the letter asked Washington to reconsider the question of opening Korea's farm and fishery goods market.

Han on DPRK, Patriot Missiles, Other Issues

*SK1902062794 Seoul TONG-A ILBO in Korean
19 Feb 94 p 3*

[YONHAP "summary" of an interview with Foreign Minister Han Sung-chu by unidentified ROK correspondents based in Washington on 17 February]

[Text] Foreign Minister Han Sung-chu, who is visiting the United States, said in an interview with ROK correspondents based in Washington on 17 February: "Today I had important talks with Mickey Kantor, secretary of the Office of the United States Trade Representative; Spero, undersecretary of State for economic affairs; Tarnoff, undersecretary of State for political affairs; Assistant Secretary of State Gallucci; and Assistant Secretary of State Winston Lord. We exchanged views on ironing out opinions to prepare for the third round of talks between the United States and North Korea and also on South-North dialogue." The following is a summary of the interview:

[Reporter] Will the nuclear inspection have to be completed before the third round of talks between North Korea and the United States is held?

[Han Sung-chu] Yes.

[Reporter] Did the International Atomic Energy Agency [IAEA] side make compromises to some degree?

[Han] No. North Korea accepted all necessary measures in guaranteeing the continuity of safeguards. The special [tukbyol] inspection issue will be dealt with at the third round of talks.

[Reporter] Even though North Korea accepted the nuclear inspection, has the situation not turned back to that of last March?

[Han] The situation has not changed greatly since last March. However, at that time the situation then was worsening while currently the situation is improving to some degree. I believe that the past situation will not be repeated.

[Reporter] What is your view on the issue of deploying Patriot missiles and the issue of suspending the Team Spirit exercise?

[Han] The issue of suspending the Team Spirit exercise will be ironed out when North Korea receives the inspection and the South-North dialogue is resumed. The United States and the ROK agreed that the issue of deploying the Patriot missiles will not be discussed until the IAEA holds its Board of Governors meeting. The military needs for the two countries will be examined.

[Reporter] Is there not a dispute between the ROK and the United States regarding this matter?

[Han] It is a fact that the United States positively examined the request by the commander of the U.S. Forces in the ROK for the Patriot missiles. Since North Korea accepted the nuclear inspection, it is not known whether Commander Gary Luck will make the same request or take measures that will be in harmony with our side's military assessment. The deployment itself has not been decided upon yet.

[Reporter] When do you think that South-North dialogue will be carried out?

[Han] There is a great possibility that North Korea will respond to the dialogue. There is a possibility that the dialogue will be held in the near future.

[Reporter] Which do you think was effective in the process of North Korea's accepting the nuclear inspection, dialogue or pressure?

[Han] We were not going to wait forever to hold a dialogue. The position of the United States and the ROK from the beginning was to depend on another method if it became impossible to resolve the nuclear issue through dialogue. North Korea did not change its mind on accepting nuclear inspection but it was a measure it had been planning to take in advance.

[Reporter] Are rumors that Kim Chong-il was in an accident a false report?

[Han] There were such rumors but it has not been confirmed. I believe that such rumors were spread because he did not attend his birthday celebrations.

[Reporter] Please tell us about your dialogue with Secretary Kantor.

[Han] I clearly told him that the rumors that those who bought foreign-made cars would be subjected to a tax investigation are not true. In connection with the issue of protecting intellectual property, there is great possibility that Korea is excluded from the priority watch country list on intellectual property violations. The plan to expand NAFTA is being examined by various countries, including the United States. The establishment of relations with NAFTA is being analyzed from various angles, such as that of an associate membership, rather than selecting one alternative. It seems that its framework will be revealed sometime in the middle of this year.

Han Holds News Conference on Return From U.S.

*SK2002020294 Seoul YONHAP in English 0148 GMT
20 Feb 94*

[Text] Seoul, Feb. 20 (YONHAP)—Foreign Minister Han Sung-chu said on Saturday evening he believes there would be no backdown by North Korea from their earlier acceptance of International Atomic Energy Agency (IAEA) inspection of their nuclear facilities though Pyongyang was delaying visa issuance to IAEA inspectors.

On return home from his trip to Washington and Ottawa, Minister Han said delay in visa issuance seems to be part of Pyongyang's effort to obtain clearer steps regarding their agreement with the United States over the nuclear issue. Han said in an airport press conference that if North Korea refuses to issue visa to IAEA inspectors to the end, there would be due actions from IAEA and the United Nations.

Minister Han said the upcoming IAEA inspection would definitely include taking sample materials, but there would be no exchange of fuel bars. "If and when any fuel bars are exchanged in North Korean nuclear facilities in the days to come, IAEA should always take part," he said. Even if North Korea were found to already possess nuclear materials, what is more important is to obtain Pyongyang's nuclear transparency and keep them from using such materials in producing nuclear weapons than to take sanction, he said.

Han observed the third-round high-level U.S.-North Korea talks could be held around the end of March at the earliest because he said it would take about four weeks to analyze the outcome of the planned IAEA look into North Korean facilities.

The foreign minister was optimistic about North Korea's return to the stalled inter-Korean dialogue. "Since the resumption of dialogue is linked to the third-round Washington-Pyongyang talks and the suspension of the Team Spirit exercise, I believe North Korea would agree to resumed dialogue," he said.

Regarding the controversial Patriots missile issue, he said South Korea and the United States will discuss the matter upon the end of the IAEA Board of Governors meeting opening on Feb. 21. "The discussion will cover detailed issues including the question of whether to deploy the anti-missile missiles in Korea," Minister Han said.

Further Comments Cited

*SK2002024694 Seoul TONG-A ILBO in Korean
20 Feb 94 p 1*

[Text] In a meeting with reporters at the Kimpo International Airport on 19 February after returning from the United States and Canada, Foreign Minister Han Sung-chu said that "North Korea has not issued visas for the International Atomic Energy Agency [IAEA] inspection team. However, it will likely issue them during the time the IAEA Board of Governors meeting is held—the meeting begins on 21 February—so that the inspection team begins its activities."

Minister Han also stated that "North Korea is delaying the issuance of visas because it needs to clarify the procedures of the agreement it reached with the United States during a working-level contact last 29 December."

Minister Han said he understands that "the scope of inspection agreed between North Korea and the IAEA includes the extraction of sample materials from the five-megawatt atomic reactor, and this means that North Korea fully accepted the scope of inspection demanded by the IAEA in the past."

He pointed out that IAEA's inspection activities and analysis of the inspection results would require about four weeks. Therefore, in the event that the inspection begins next week and proceeds satisfactorily, the third round of high-level U.S.-North Korea talks would be resumed in late March.

Since the exchange of special envoys between the North and the South is a precondition for the third round of high-level U.S.-North Korea talks, the talks on this issue will be held before late March.

Commenting on the report that there is difference in views between the ROK and the United States on the deployment of Patriot missiles, Minister Han said that "in view of the sensitive time of the nuclear negotiations, the ROK and the United States agreed to withhold the decision on deployment until the IAEA Board of Governors meeting is held." He added that "the two nations will consult the issue of deployment and time by taking into account the judgment of commander of U.S. Forces in the ROK and changes in the situation."

Minister Han pointed out that "if North Korea possesses nuclear materials, the detection of their exact amount and location is important. If sanctions against North Korea are pushed because it possesses nuclear materials alone, North Korea will not allow anyone to confirm the contents of the nuclear materials it possesses. Therefore, sanctions under this condition are not desirable."

Deputy Foreign Minister Cited on Nuclear Issue
SK1902092794 Seoul TONG-A ILBO in Korean
19 Feb 94 p 5

[Interview with Deputy Foreign Minister Hong Sun-yong by Hwang Chae-hong, second director of the TONG-A ILBO Political Department, in Seoul on 17 February]

[Excerpts] [Hwang Chae-hong] It is fortunate that a crisis [paguk] on the North Korean nuclear issue was avoided. Why do you think North Korea changed its attitude and decided to allow nuclear inspections right before plans to refer it to the UN Security Council?

[Hong Sun-yong] There are various opinions regarding North Korea's intentions. I would like to assess positively [kungjongjoguro pyongga] North Korea's intentions. In my opinion, North Korea did not allow nuclear inspections for many reasons, but it finally recognized the fact that it

could not avoid isolation as an outlaw by the international community if it continued to refuse international inspections. [passage omitted]

[Hwang] The government has insisted on resolving the North Korean nuclear issue in a peaceful way through dialogue. Is there any special reason for the government to carry on with this strategy?

[Hong] Our emphasis on a policy of dialogue was based on the possibility of sanctions by the international community. We have pursued a carrot-and-stick policy, and the carrot side has just borne fruit.

[Hwang] In any case, has the government stressed the dialogue policy because it realized the possibility of changes in North Korea's attitude through a secret South-North dialogue channel?

[Hong] There is no secret dialogue channel. Under the current situation, in which South and North Korea mistrust each other, it is highly possible that communication through any secret channel will just amplify the mutual misunderstanding. [passage omitted]

[Hwang] Some people criticize that the United States assumed a leadership role in the nuclear negotiations while we, a party directly concerned, played a supporting role. What is your opinion?

[Hong] The suspicion about North Korea's nuclear development is an important matter that not only directly relates to peace and security of the Korean peninsula, but also is considered a challenge to the international order based on the Nuclear Nonproliferation Treaty. Therefore, the United States stepped forward and played an important role. We should admit the U.S. role. [passage omitted]

[Hwang] The ROK and the United States said they would suspend the Team Spirit exercise this year if North Korea allows nuclear inspections. When will they announce the suspension of the exercise?

[Hong] They will express their willingness for a conditional suspension when the International Atomic Energy Agency [IAEA] inspection team enters North Korea, and will make a final decision when the IAEA inspection is successfully conducted and when progress is made in South-North dialogue. [passage omitted]

[Hwang] What are the prospects for South-North dialogue, which is likely to be resumed in the near future?

[Hong] As North Korea agreed to make meaningful progress in South-North dialogue before the third round of U.S.-North Korean talks, South and North Korea will hold working-level contacts, which were severed October 1993. The government position is that the South-North envoy exchange is another precondition for the third round of U.S.-North Korean talks. [passage omitted]

[Hwang] People are concerned about the fact that North Korea has adhered only to dialogue with the United States, while it has just formally acceded to South-North dialogue.

[Hong] North Korea's attitude is unpredictable. It is not probable, however, that the United States trusts North Korea and will promote improvement of relations under the situation, in which South Korea does not trust North Korea. The shortest way to Washington is through Seoul. [passage omitted]

[Hwang] There is a view that the refusal of strong countries to allow developing countries to possess nuclear weapons is wrong.

[Hong] In my opinion, it is more important now to increase nuclear transparency. It is undesirable to attempt to have nuclear reprocessing facilities to achieve peace and security on the Korean peninsula. In the present situation, nuclear reprocessing facilities are not economical. [passage omitted]

[Hwang] What is your opinion on the possibility of holding South-North summit talks?

[Hong] Building mutual confidence between South and North Korea by accepting the principle of peaceful coexistence first is more important than arguing when to hold the summit talks.

[Hwang] It is reasonable to hold the summit when conditions are met. Is it possible, however, that the top leaders of South and North Korea will meet first to reach some important agreements, which can be implemented on a working level?

[Hong] That is theoretically possible. It would be nothing but a temporary unity [ponghap] or a compromise [tahyop] for the top leaders, who have different senses of value and systems, to hold talks. From a long-term viewpoint, it would not be of much help for the reunification of the country. [passage omitted]

Government Position on Nuclear Issue Assessed

SK1902101194

[Editorial Report] The following is a compilation of editorials from 19 February ROK vernacular newspapers on the government's attitude toward North Korea regarding the nuclear issue.

The moderate Seoul HANGUK ILBO in Korean publishes on page 3 a 800-word editorial entitled "Lessons Two Years After the North-South Agreement." The editorial reports "it is natural that the government has set the exchange of special envoys as a precondition for U.S.-North Korean talks," referring to the government's decision to announce the conditional suspension of the Team Spirit exercise when the exchange, as well as International Atomic Energy Agency (IAEA) inspections, are made. The editorial suggests that North Korea may use the exchange of special envoys to approach the United States.

The editorial notes that North Korea was not interested in implementing the 4 July North-South joint statement and the 19 December North-South basic agreement. Noting North Korea's insincere and capricious attitude toward South Korea, the editorial indicates "it is regrettable that

the government assumes an ambiguous position toward North Korea's nuclear issue."

The editorial concludes that "the government must make North Korea aware that the Team Spirit exercise will be suspended and that the third U.S.-North Korean talks may be possible only if practical dialogues—such as the discussion of simultaneous inspection of the North and South, the holding of summit talks, and exchange and cooperation between the North and South—are held through the exchange of special envoys."

The moderate Seoul KYONGHYANG SINMUN in Korean publishes on page 3 an 800-word editorial entitled "Where Is the Spirit of Agreement?" Referring to the significance and background of the North-South agreement and to the government's effort to implement it, the editorial reports that the South has allowed Yi In-mo to reunite with his family in the North and that it has proposed to the North side to establish a location in Panmunjom where separated family members can meet.

The editorial adds that North Korea should respond to the North-South dialogue and the exchange of special envoys if it decides to accept the nuclear inspections.

The left-leaning Seoul HANGYORE SINMUN in Korean publishes on page 3 an 1,000-word editorial entitled "The Government Must Exercise its Right to Participate in Resolving the Nuclear Issue." The editorial notes that "in a meeting of unification-related ministries on 17 February, the government decided to respond to North Korea's acceptance of IAEA nuclear inspections." The editorial reports this decision eased the people's worry about the North Korean nuclear issue.

The editorial stresses that the government is very interested in realizing the exchange of special envoys, referring to President Kim Yong-sam's letter to U.S. President Clinton emphasizing the importance of progress in the North-South dialogue for the complete settlement of the nuclear issue.

Noting the possibility of North Korea's active participation in the future North-South dialogue to realize the third U.S.-North Korean talks, the editorial reports that "the government should exercise its right to participate in an issue related to the fate of the nation, such as the North Korean nuclear issue."

The independent moderate Seoul MAEIL KYONGJE SINMUN in Korean publishes on page 3 an 800-word editorial entitled "The Government's Ability To Deal With the Korean Peninsula Issue." The editorial notes that the government should properly formulate a reunification policy in view of the recent changes in the international community and the complicated situation surrounding the Korean peninsula.

Noting the people's attention to the government's reunification policy, the editorial reports that the North and South are the parties concerned in the reunification issue, even though they need cooperation from the United States and Japan.

The editorial concludes that economic cooperation will hasten national reunification and points out the need to make plans for economic cooperation.

Paper Speculates on Dismissal of Ho Chong

SK2102090994 Seoul TONG-A ILBO in Korean
21 Feb 94 p 2

[Kim Cha-ung from the UN Headquarters]

[Text] Ho Chong, deputy chief of the North Korean Mission to the United Nations, who had served as the North Korean representative to the U.S.-North Korea contact on the North Korean nuclear issue, has been relieved of his post abruptly. A noteworthy speculation circulating in the UN diplomatic circles is that he has been relieved of his position after being reprimanded for his mistaken report to Pyongyang on the results of the New York working-level contact which took place toward the end of 1993 and in which the United States and North Korea agreed on nuclear inspections.

Deputy Chief of Mission Ho's departure from his post was confirmed approximately a week ago when Western intelligence agencies found out that he reserved a seat on a China Airlines [as published] flight—that leaves New York on 24 February—to go to Pyongyang via Beijing. The North Korean mission refused to confirm this report over the telephone, and finally, on 19 February, a mission official concerned confirmed his departure for Pyongyang. When asked why Ho Chong would depart for Pyongyang, he said he "is not in a position to comment." It has been learned Deputy Chief of Mission Ho is now preparing for his return home after concluding his official duties. His last official duty was reported to be his 15 February contact with his U.S. counterpart to discuss measures to be taken to follow up North Korea's acceptance of nuclear inspections.

This year is his fifth year at the United Nations. He was originally scheduled to leave for Pyongyang early last year when his term expired.

Therefore, it is speculated his departure results from a mere change of hands. Still, the speculation that he is departing after being reprimanded has become more convincing.

This speculation goes like this: He was reprimanded for his distorted report to Pyongyang on the results of the New York working-level contact. At that contact, the United States and North Korea agreed to hold the third stage of U.S.-North Korea high-level talks under the condition that North Korea allows the International Atomic Energy Agency [IAEA] to inspect all facilities to the extent that North Korea ensures that continuity of nuclear safeguards and that North-South dialogue for the exchange of special envoys resumes. However, when notifying Pyongyang of the results of the negotiations, Deputy Chief of Mission Ho reportedly stated that the agreement between North Korea and the United States requires North Korea to receive not full-scope inspections [chonmyon sachal] of the seven

reported nuclear facilities but restricted inspections [chehanjok sachal] of facilities it wants to open to the extent that North Korea ensures the continuity of nuclear safeguards.

Because of Ho Chong's notification, North Korea reportedly underwent significant confusion and internal trouble before it announced it would accept nuclear inspections. North Korea's insistence on restricted inspections during its negotiations with the IAEA is an example.

The analysis of the diplomatic circles in the United Nations goes like this: In further contact with the United States, North Korea realized that Ho Chong's report was wrong. Therefore, North Korea, at a last phase, notified the IAEA that it would accept full-scope inspections of the seven nuclear facilities.

During a meeting with domestic reporters in New York on 16 February, ROK Foreign Minister Han Sung-chu said: "One of the reasons North Korea had been stubborn before it announced it would accept nuclear inspections this time is the structural problem in communications between Ho Chong, Kang Sok-chu, and other working-level officials in charge of the nuclear issue and Kim Il-song and Kim Chong-il."

He also said: "Working-level officials in charge of negotiations seem to worry that they may be reproached for not making efforts to the end but making concessions to the United States."

Those remarks by Foreign Minister Han Sung-chu is more proof of Deputy Chief of Mission Ho's mistaken report.

Government To Propose S-N Contact for Exchange

SK2102042194 Seoul KBS-1 Radio Network in Korean
0310 GMT 21 Feb 94

[By Yi Kang-tok from the Integrated Government Building in Seoul]

[Text] A government official said that right after the next U.S.-North Korean working-level contact—likely to be held tonight in New York—the government will propose to North Korea holding a South-North working-level contact for the exchange of special envoys.

He said: The government expected that North Korea would suggest that we hold a dialogue first. However, as North Korea demanded through a news conference held by its Foreign Ministry spokesman yesterday, that our side propose first that South and North Korea hold a contact for the exchange of special envoys, the government has decided to make such a proposal first. Accordingly, the government will hold a meeting of offices concerned to decide on a date for the South-North working-level contact. It is now considering a method for holding a working-level contact with North Korea next week.

According to the government, in the forthcoming U.S.-North Korean working-level contact in New York, the United States will state, in particular, when to hold the third round of U.S.-North Korean talks and will announce

the conditional suspension of the Team Spirit exercise, meeting North Korea's demands without a snag. North Korea is also expected to give an available date for the International Atomic Energy Agency [IAEA] inspection team's entrance to North Korea.

The government anticipated: There is no big problem for the IAEA inspection team to enter North Korea next week. Accordingly, South-North working-level contacts will begin sometime next week without problem according to our proposal because the South-North dialogue must begin upon the inspection team's entrance to North Korea. South and North Korea held three working-level contacts for the exchange of special envoys last year, and have held no more contacts since then because of North Korea's refusal.

NUB-Foreign Ministry Discord Over DPRK Policy

SK2202095394 Seoul MUNHWA ILBO in Korean
21 Feb 94 p 2

[Article by reporter Kim Kyo-man: "Discord Between the National Unification Board (NUB) and the Ministry of Foreign Affairs Regarding a North Korean Policy"]

[Text] Discord between the governmental ministries in charge of North Korean policy have been recently disclosed since North Korea accepted the nuclear inspections by the International Atomic Energy Agency [IAEA]. In particular, the National Unification Board and the Ministry of Foreign Affairs have greatly different views on the following issues: The importance of North-South dialogue regarding the third DPRK-U.S. talks, the form of the North-South dialogue, the announcement date for the suspension of the Team Spirit exercise, and the government's attitude regarding public relations.

In the 18 February seminar to greet the 2d anniversary of the effectuation of the "North-South Basic Agreement," Yi Yong-tok, deputy prime minister and chairman of the national unification board, stressed that "the third DPRK-U.S. talks would be held only if there is significant progress in North-South dialogue," and that "through an exchange of special envoys, in particular, North Korea should discuss the following issues, such as its return to the Nuclear Nonproliferation Treaty, its resumption of ad hoc [imsi] or ordinary [tongsang] inspections by the IAEA, and the simultaneous inspections of the North and South."

Before returning to Seoul after he visited the United States, Foreign Minister Han Sung-chu said, however, that "we cannot deny the importance of North-South dialogue, but it may be unhelpful to the settlement of the issues pending between the North and South in the light of the settlement of the North Korean nuclear issue."

The two ministers have the same opinions regarding the importance of North-South dialogue. However, Foreign Minister Han has stressed that the settlement of the nuclear issue can be delayed if we attach too much importance to progress in the North-South dialogue, while Deputy Prime Minister Yi has said that a certain progress must be made in the North-South dialogue to resolve it.

Regarding the resumption of the North-South dialogue, they also have a different view on the form of dialogue. Song Yong-tae, vice minister of the National Unification Board, stressed in his 17 February news interview with reporters that "the North-South dialogue must be carried out in the form of the exchange of special envoys."

While he was in Canada, Foreign Minister Han said that "he would not care if the North-South dialogue is carried out in the form of the exchange of special envoys, or in the form of a meeting of the North-South Joint Nuclear Control Committee, or in the form of the North-South high-level talks, if they are intended to resolve the North Korean nuclear issue."

They have also different views of the announcement date of the suspension of the Team Spirit exercise. In a Television interview on the morning of 20 February, Vice Foreign Minister Hong Sung-yong has set the concrete date for the conditional suspension of the Team Spirit exercise by saying that "the government would announce the conditional suspension of the Team Spirit exercise at the time of the IAEA inspection team members' arrival in North Korea and when the North and South resume their working-level contact for the exchange of special envoys."

However, Deputy Prime Minister Yi said on 18 February that "the conditional suspension of the Team Spirit exercise will be determined depending on the result of the IAEA's inspection and the progress in the North-South dialogue for the exchange of special envoys."

The attitude shown by the National Unification Board and the Ministry of Foreign Affairs since North Korea has accepted the nuclear inspections is very comparative. On the morning of 16 February—the day the fact that North Korea accepted the nuclear inspections was disclosed—Vice Foreign Minister Hong expressed the government's position on future policy direction along with the detailed explanation of the process of nuclear negotiations.

On the other hand, relevant responsible officials of the National Unification Board did not express official commentary regarding its position that day. It has been confirmed that a relevant high-level official instructed them not to do so. Although the fact that "a meeting on unification-related strategy" was held on the morning of 17 February chaired by Deputy Prime Minister Yi was disclosed by other ministries, the National Unification Board has continued its secret administrative business by saying that "it has never heard it."

Depending on the progress in the settlement of the North Korean nuclear issue, the different views of the issues between the National Unification Board and the Ministry of Foreign Affairs are likely to be catalysts in creating discord between the governmental ministries in charge of the issues of the unification, security, national defense, and foreign diplomacy.

Differences Among Ministries on DPRK Noted

*SK2102232994 Seoul CHUNGANG ILBO in Korean
18 Feb 94 p 3*

[Article by Kim Chun-pom: "The Security Affairs-Related Ministries Are Not Working Cooperatively"]

[Text] Some question whether there is a loophole in the government's system to deal with a crisis because the national security affairs-related ministries, such as the National Unification, Foreign, and National Defense Ministries, are not working cooperatively on the North Korean nuclear issue.

Noteworthy examples are the talks between ROK Foreign Minister Han Sung-chu and U.S. Defense Secretary William Perry, the issue regarding the deployment of Patriot missiles to the Korean peninsula, and the timing of the announcement on the suspension of Team Spirit exercise.

The government on 8 February held a security affairs-related ministers meeting chaired by President Kim Yong-sam and discussed ways to relieve "the rumors on the crisis on the Korean peninsula" and the government's follow-up measures in case North Korea's nuclear issue is referred to the UN Security Council.

The meeting was this year's first security affairs-related ministers meeting to be presided over by President Kim and was attended by Premier Yi Hoe-chang, Unification Minister Yi Yong-duk, the ministers of foreign affairs and national defense, the director of the Agency for National Security Planning, and the senior secretary of Chongwadae [presidential office].

Following the meeting, Foreign Minister Han on 9 February hurriedly departed for the United States seven days earlier than planned. On 11 February, he met U.S. Defense Secretary Perry in Washington and, during the meeting, made clear that a crisis is not looming on the Korean peninsula, as the U.S. media has been reporting.

Defense Minister Yi Pyong-tae, however, did not know about the Han-Perry meeting in advance. The Ministry of National Defense [MDN], after learning about the meeting via foreign reports, expressed its regret over the Foreign Ministry's failure to inform the MDN of the meeting.

A high-level MDN official conceded: "Although Foreign Minister Han sat right beside Minister Yi during the security affairs-related ministers meeting held at Chongwadae, he did not utter a word about his plan to meet Perry. This shows that there is a large loophole in the cooperative system among ministries."

Even though the MDN can get access to information on the Han-Perry contacts through various channels as a Foreign Ministry official is stationed at the MDN and a military attache resides at the ROK Embassy in the United States, the MDN has not acquired any information on the contacts.

Regarding the deployment of the Patriot missiles, even though the U.S. assistant to President Clinton for National Security Affairs had conferred over the phone with Chong Chong-ku, senior secretary for Foreign and National Security Affairs, the Defense Ministry became aware of the fact when the Foreign Ministry later officially announced that "the deployment of the Patriot missiles to the Korean peninsula is now under review."

The MDN expressed concern about the team work of the security affairs-related ministries by saying that: "There has never been a case in which an important military issue has been pushed ahead without prior consultations with the MDN."

On 16 February, even after North Korea's acceptance of inspections on its nuclear facilities was announced, a difference of opinion among the ministries was clearly revealed.

The MDN, which restrained from commenting officially on the issue regarding the Team Spirit exercise, unofficially expressed a prudent stance on the afternoon of 16 February by saying that: "The announcement on calling off the Team Spirit exercise will be made around 10 March at the earliest and, furthermore, the time is not right to announce the issue officially."

On the next day, however, a National Unification Board official announced: "With North Korea's acceptance of International Atomic Energy Agency inspections, the suspension of the Team Spirit exercise will be announced next week."

Even when the National Unification Board made such an announcement, the MDN adhered to its position that was revealed the day before and did not reveal if the National Unification Board's announcement had been discussed among the relevant ministries.

Some military experts, commenting on such differences in opinion among the ministries, point out that the fundamental problem lies in the fact that the national security affairs ministries have been slightly neglected since the new government took office.

DPRK's UN Envoy Denies Kim Chong-il Injured

*OW1902035194 Tokyo KYODO in English 0335 GMT
19 Feb 94*

[Text] New York, Feb. 18 KYODO—North Korea's top diplomatic official denied speculation Friday [18 February] that Kim Chong-il, son and heir apparent to the communist country's President Kim Il-sung, has been seriously injured. Pak Kil-yeon, North Korean ambassador to the United Nations, told KYODO NEWS SERVICE that the speculation was based on groundless rumors and Kim celebrated his 52nd birthday Wednesday in good spirit.

In a Seoul-dated story Thursday, a foreign news agency quoted South Korea's opposition Democratic Party Leader Li Ki-taek as saying that he had heard from foreign diplomatic sources that Kim Chong-il had sustained

serious, but unspecified, injuries. Li was told that if Kim did not appear at celebrations marking his 52nd birthday Wednesday, the reports could be considered "reliable." Pak said the reports were political propaganda designed to slander Kim, the No. 2 man in Pyongyang's ruling hierarchy.

'More Than 100' DPRK Loggers in Russia Defect

SK2002045894 Seoul YONHAP in English 0447 GMT 20 Feb 94

[Text] Seoul, Feb. 20 (YONHAP)—Hundreds of North Korean loggers had escaped their logging yards in Siberia, Russia and more than 100 of them seek to come to South Korea, a government official said on Sunday. South Korea, however, cannot accept them because of the position of North Korea and Russia, said the official, adding that therefore the government is considering other steps to cope with them, such as turning to the U.N. High Commissioner for Refugees (HCR).

"Many of those North Korean loggers who escaped Siberia logging yards had come in contact with the South Korean Embassy in Moscow and Consulate General in Vladivostok for permission to enter South Korea," he said. Those who contacted South Korean missions in Russia reached 100 to 150 so far, he said.

The official said there are 16,000 to 20,000 North Korean loggers in Pyongyang-run logging yards in Siberia, and hundreds of them are known to have escaped the logging yards and been roaming through Russia. He said that if Seoul accepted them, it is apt to offend North Korea and that Russia, too, is not interested in sending them to South Korea because of its relations with North Korea.

"At the moment, the government is asking Russia to recognize the escapees as international refugees and ensure their safety and basic rights," the official said.

PRC Information Cited on DPRK Nuclear Weapons

SK1902052094 Seoul YONHAP in English 0500 GMT 19 Feb 94

[Text] Tokyo, Feb. 19 (YONHAP)—China has recently disclosed that North Korea may already possess one or more nuclear bombs, the JIJI news agency reported in a dispatch from Washington on Saturday. Beijing has in the past opposed Pyongyang's acquisition of nuclear arms. Quoting a U.S. military source, JIJI said the United States had on many occasions contacted China, a staunch ally of North Korea, to determine whether Pyongyang possessed nuclear weapons. The answer from China had always been negative on such a possibility, the report said.

JIJI said the American source based his view on North Korea's arsenal on information obtained from China in the recent past. When a U.S. War College delegation called at the Chinese defense college during a visit to Beijing last January, Chinese officials said, "North Korea may already possess nuclear arms," JIJI quoted the source as saying.

The report said the U.S. source believes that China now virtually recognizes that North Korea has nuclear weapons based on tips from Pyongyang officials during military exchanges between the two allies. The source added that there is no way to know how many nuclear bombs North Korea may now have, but the number could be one or two, according to the JIJI report.

DPRK Envoy to PRC Said Recalled for Consultations

SK2202082294 Seoul YONHAP in English 0810 GMT 22 Feb 94

[Text] Beijing, Feb. 22 (YONHAP)—North Korean ambassador to China Chu Chang-chun returned to Pyongyang in mid-February to consult with the Foreign Ministry on the nuclear problem, a diplomatic source here said Tuesday.

The source said that Chu went back to his country ostensibly to attend celebrations for the 52nd birthday of Kim Chong-il, son and heir-apparent of President Kim Il-sung, on Feb. 16. But in fact, Chu was recalled by his home government to discuss problems related to the nuclear issue and the planned visit to China by South Korean President Kim Yong-sam, the source said, asking for anonymity.

"Judging by past experience, Chu will hold a press conference as soon as he returns to Beijing and discuss North Korea's position on pending issues," the source said.

If the ambassador does so, part of North Korea's nuclear strategy may be revealed, he added.

During Chu's absence, Pae Yong-chae, a councilor for political affairs at the North Korean embassy, attended a commemorative event for the 35th anniversary of the North Korea-China Cultural Cooperation Treaty held in Beijing Tuesday.

Government To Furnish \$40 Million to China

SK2002045094 Seoul YONHAP in English 0440 GMT 20 Feb 94

[Text] Seoul, Feb. 20 (YONHAP)—South Korea plans to provide 40 million U.S. dollars in an Economic Development Cooperation Fund (EDCF) to China this year, a government official said on Sunday.

"China last year asked Korea for 112 million dollars in economic cooperation. But, we have decided to furnish 40 million dollars initially this year taking into account the projects the money would finance and the availability of EDCF funds," he said.

The official said the government had already completed the feasibility study of the projects by sending a fact-finding team to China toward the end of last year. The EDCF fund will help finance a bridge construction in Tianjin, harbor expansion at Longkou in Shandong Province, railroad facilities at Dongning in Heilongjiang Province, and airport communications and control facilities in Harbin, he said.

DPRK Unveils Plan To Develop Trade Center

*SK2202055194 Seoul YONHAP in English 0537 GMT
22 Feb 94*

[Text] Beijing, Feb. 22 (YONHAP)—North Korea on Monday unveiled an ambitious three-phase plan to develop an international port and industrial complex in the 621-square-kilometer area between Najin and Sonbong on its northern border, which was made a free economic zone under Decision No. 74 of the Administrative Council promulgated in December 1991.

The North Koreans aim to transform the Najin-Sonbong zone into a modern international trade center, fully equipped with industrial, commercial, housing and tourism facilities, according to a confidential document acquired by YONHAP.

The 40-page booklet is titled "Golden Triangle Najin-Sonbong" and was issued by the Committee for the Promotion of External Economic Cooperation, formed early last year under the auspices of the External Economic Affairs Ministry.

According to the three-phase plan that was initiated last year, the communist country will boast an international-quality port, roads, railways, airport, electricity, telecommunications and industrial facilities in the zone and expand Chongjin port by 2010.

To begin with, it will build a new 1,000-meter harbor next to the current 2,515-meter facility in Najin and add 32,399 square meters of storage for an annual freight capacity of 10 million tons in the northwestern port city by next year.

Between 1996 and 2000, the area's annual freight capacity will be increased to 20 million tons, with another 3,500-meter harbor to accommodate freighters up to 200,000 tons as well as 500,000 square meters of storage.

By 2010, it will be equipped with a terminal capable of handling 40 million tons of cargo and also house 36 freighters weighing 20,000 to 200,000 tons.

Sonbong port will have an annual freight capacity of 10 million tons by then while Chongjin port is refurbished to support the international role of Najin and Sonbong.

The 168-kilometer Hoeryong-Haksong railway will be duplicated and tracks linking Najin to Kuryonpyong and Hunyong expanded.

Also on the drawing board is a scheme to realize North Korea's ambition of linking up with China and Russia.

Railways will be modernized and expanded to Hunchun and Khassan, bordering China and Russia, respectively, and expressways constructed to connect Hoeryong, Chongjin, Najin, Sonbong, Khassan (Russia), Onsong and Namyang.

In addition, North Korea will set up 100,000 electric telephone and data exchange circuits in Najin and construct an optical submarine cable linking Najin-Hunchun-Posyet.

The masterplan also includes a 300,000-kilowatt power station, an international airport in Sonbong and elaborate connections to Niigata (Japan), Vladivostok and Khabarovsk (Russia), and Hunchun and Jilin (China).

In particular, North Korea is seeking foreign investment in advanced technology and high value-added services in the booklet.

It is offering to rent a square meter of land in the Najin-Sonbong zone for 1.2 U.S. dollars to 3.2 dollars and is asking 59 dollars for land development of each square meter.

Ministry Conveys 'Concern' Over Super 301 Revival

*SK1902070194 Seoul THE KOREA TIMES in English
19 Feb 94 p 2*

[Text] Korea has expressed concern with the projected U.S. revival of Super 301 in the U.S. Trade Act, pointing out that the act does not comply with free trade spirit and regulations of GATT and the World Trade Organization (WTO), the Foreign Ministry said yesterday. Seoul and Washington have agreed to hold a working-level body to improve U.S. procedures on investigation of anti-dumping practices of Korean exporters, a ministry official said.

The agreement was reached at the close of three days of Korea-U.S. talks at the Dialogue for Economic Cooperation (DEC) in Washington Thursday. The two sides also reached an agreement to conclude a pact on exemption of social security tax on businessmen working in the United States.

The official said that the United States accepted the request by Korea to improve unfair U.S. investigation procedures in connection with alleged anti-dumping practices by Korean commodity exporters. Korean companies have suffered from frequent anti-dumping probes.

The two sides also decided to launch working-level negotiations to work out an agreement on exemption of social security tax. Korean businessmen have complained that they are forced to pay security tax on their income in the United States.

The United States has agreed to arrange a dialogue channel between U.S. and Korean constructors to solve the difficulties Koreans experience, such as non-recognition of Korean constructors' performance in third countries and obligatory deposits of excessive amount of money for construction work in the United States. The two sides also agreed to strengthen cooperation between tax administration bodies to prevent unreasonable imposition of taxes on Korean firms.

A final report on discussion of bilateral economic issues will be reported to a meeting of the Korea-U.S. economic consultative council slated for June in Washington, the official said.

Final Offer List To Implement GATT Withheld
SK2002050994 Seoul THE KOREA HERALD in English 20 Feb 94 p 9

[Text] Korea has temporarily withheld the submission of its final offer list to implement the Uruguay Round [UR] of global trade agreement under the auspices of the General Agreement on Tariffs and Trade, government officials said. All 117 member countries of GATT that participated in the multilateral trade liberalization talks were supposed to present their offer lists by Feb. 15 based on the package conclusion reached last Dec. 15 after seven and a half years of negotiations. Only 10 countries, however, had met the deadline as of Friday, they said.

Unconfirmed reports here attributed the foot-dragging by other countries in presenting their country schedules to failures to do so by the two biggest participants—the United States and Japan—over last-minute differences on tariff reduction matters. Washington reportedly is calling for additional tariff reductions by Japan and is deliberately postponing the submission of its offer lists. The government officials, however, say all they have heard about it from the U.S. officials in this regard was that the heavy snow that hit parts of the United States has delayed the printing of the related documents. "We doubt the deliberate postponement of the list presentation by the United States because once the deal was made, there can be no renegotiations of the GATT round," said an official of the Economic Planning Board.

The official, apparently conscious of the assertions of some government critics here calling for partial renegotiations of the farm sector agreement, flatly denied any room for a renewed deal on the agreement.

As to why the government has not tendered its list to the GATT secretariat, the official said that it is because the government does not want to give the impression it is hurrying to seal the Uruguay Round deal while there are still voices of disagreement.

IIPA Wants To Put ROK on Priority Watch List
SK1902071494 Seoul YONHAP in English 0548 GMT 19 Feb 94

[Text] Seoul, Feb. 19 (YONHAP)—The International Intellectual Property Alliance (IIPA), the largest intellectual property rights organization in the United States, has demanded that the U.S. Trade Representative (USTR) retain South Korea on the priority watch list, the Korea Foreign Trade Association said over the weekend.

The IIPA has recommended that the USTR label China, Brazil and India as priority foreign countries for negotiations on unfair trade relations and retain South Korea, Japan and nine other countries on the priority watch list.

By Friday, the USTR had received industrial opinions on whether to invoke the Super 301 section of a 1988 trade law empowering him to take retaliatory steps against countries that fail to lower trade barriers against U.S.

goods and will make public the opinions around next Wednesday, the association said.

Government Reveals Rice Production Policy
SK1902024294 Seoul YONHAP in English 0205 GMT 19 Feb 94

[Text] Seoul, Feb. 19 (YONHAP)—To make its rice farming structure fit the agricultural market opening, the government has mapped out a comprehensive plan to cut rice costs and improve quality. The Agriculture, Forestry and Fisheries Ministry said Saturday it had set this year's rice output at 5.08 million tons (37.2 million sok), down 4.6 percent from 5.35 million tons in 1993, a bad crop year due to cool summer weather.

Farmland was estimated to drop 21,000 hectares to 1.11 million hectares based on the past five-year average decrease, with each 300 pyong (990 square meters) producing 456 kilograms for this year's output quota. As a result, in view of the 1993 provisional record of 96.9 percent, the rice self-sufficiency rate is expected to be under 100 percent in 1994 (estimated at 89.1 percent) and 1995 (95.9 percent), but Korea will attain 100 percent self-sufficiency in edible rice by 2001. The ministry said it had revised this year's rice policy to put quality above quantity in the wake of the conclusion of the Uruguay Round trade agreement.

Proposal To Dismiss Agriculture Minister Defeated
SK2002050594 Seoul THE KOREA HERALD in English 20 Feb 94 p 2

[Text] The main opposition Democratic Party's [DP] proposal to dismiss Agriculture, Forestry and Fisheries Minister Kim Yang-pae was voted down in the National Assembly plenary session yesterday. In a secret balloting in which 276 lawmakers participated, it was rejected by a vote of 164 nays to 112 ayes. DP lawmakers made the proposal early last week, charging that Minister Kim insulted parliament and betrayed the nation's 6 million farmers by failing to make proper efforts to protect the local rice market. In an address that preceded the voting, Rep. Chong Ki-ho of the DP appealed to the DLP [Democratic Liberal Party] lawmakers to cast "aye" votes.

Rep. Chong accused Minister Kim of having made little effort to protect the interests of farmers in connection with the opening of the domestic agricultural market. "Minister Kim has also deceived lawmakers by breaking his own promise to report to the parliament on the government plan to implement the Uruguay Round trade accord," Chong said.

Of the ruling Democratic Liberal Party's 172 lawmakers, 164 were present at the voting, suggesting that all the DLP solons voted against the bill. Prior to the plenary session, each rival parties called a general meeting of its lawmakers in an effort to prevent possible "revolt" votes. The DLP leadership had worried whether some DLP lawmakers from rural constituencies might vote in favor of the dismissal of the agriculture minister.

Ministers Discuss DPRK at Assembly Interpellation

*SK2102112494 Seoul YONHAP in English 1050 GMT
21 Feb 94*

[Text] Seoul, Feb. 21 (YONHAP)—Prime Minister Yi Hoe-chang on Monday categorically denied as "totally groundless" some recent foreign press reports that made the Korean situation look as if tension is building up.

"It is true North Korea has massed troops and weapons in areas along the truce line," said Yi. "But, this is far from being anything new." He emphasized that there have been no signs of any unusual military movement in North Korea in connection with the nuclear question.

"In fact, I am displeased at those foreign press reports that tended to describe the Korean situation as a crisis," Yi said. He said the basic position of the government is that the two Koreas should regard each other as partners in pursuit of coexistence and co-prosperity.

"However, we cannot accept North Korea as a partner only in a circumstance where they behaves as if they have nuclear arms in their hands and persist in trying to communize the whole peninsula," he said.

In his testimony, Deputy Prime Minister Yi Yong-tok said North Korea may possess plutonium enough to produce about two atomic bombs, but at the moment it is hard to say North Korea has produced nuclear weapons.

Yi said whether North Korea has developed nuclear arms would be determined once full international and inter-Korean nuclear inspections are implemented thoroughly.

Yi who is also national unification minister said the exchange of special envoys between South and North Korea should be carried out before third-round U.S.-North Korea talks take place. When special envoys are exchanged, the two Koreas would discuss the nuclear question and the issue of implementing the basic South-North agreement, he said.

Also speaking at the assembly session, Foreign Minister Han Sung-chu said that the disused Russian submarines being sold to foreign countries are of a kind which can be used as none but scrap. Of the 12 disused Russian submarines, one has been delivered to North Korea, said Han, adding that he understands Russia is planning to send a verification team to North Korea to witness the disintegration of the submarine sold to North Korea.

Defense Minister Yi Pyong-tae told the assembly that at the moment it is not proper for his ministry to take the initiative in repealing the Team Spirit exercise system.

"The Team Spirit is one of the strong means of pressuring North Korea into giving up nuclear development," Yi said.

Kim Yong-sam Cabinet Conducts Self-Appraisal

*SK1902061994 Seoul YONHAP in English 0541 GMT
19 Feb 94*

[Text] Seoul, Feb. 19 (YONHAP)—President Kim Yong-sam's government, evaluating its own achievements in its

first year, claimed Saturday it has succeeded above all in planting roots of democracy firmly in this country. The presidential office at Chongwadae said it has also managed to revitalize the nation's economy through eradication of corruption and irregularities and adoption of the real-name financial transaction system.

If the overriding goal of President Kim's five-year term is to build a "new Korea" by boosting international competitiveness, the first year was spent in firming up the foundation, said Chongwadae in a report issued Saturday on the first year of the Kim administration. The nation's first democratically elected president, Kim marks the first anniversary of his administration on Feb. 25. The report, however, acknowledged that there had been criticism of "the president's solo performance" evidenced by his strong leadership.

It admitted that the Kim administration has been charged with sapping the country's economy and social activities by enforcing an anti-corruption campaign aimed at settling old scores. It also acknowledged that confusion among government agencies has arose concerning follow-up measures to the real-name system, the Uruguay round of trade negotiations and the North Korean nuclear issue. But the Kim administration has courageously excised rotten parts of society and wiped out corruption and social injustice accumulated under the authoritarian governments of former army generals over three decades, it said.

The administration's efforts to clean up the country were made possible through investigation that does not allow sanctuary and by strengthening the government's investigative functions, the report said.

The civilian government has undertaken a series of lightning reshuffles and purges of military officers, who had long enjoyed special status under previous administrations, it said. The Kim administration has also disbanded the once powerful private political organization in the military, known as "Hana-hoe." The daring military reform was carried out despite concerns that it could harm the morale of officers and soldiers alike, it said.

With regard to political reform, the report noted that the Kim administration managed to clean up corruption through public disclosure of the personal assets of lawmakers as well as other public servants. A revision of the ethics law for public servants and political reform bills to be taken up by the National Assembly are other significant achievements, it said.

On the nation's economy, the report said the growth rate perked up to 5 percent in 1993, up from 3 percent in the second half of 1992. The country has also registered a trade surplus for the first time in four years. The administration, however, recognizes the criticism leveled against excessive economic stimulus measures and its alleged failure at the Uruguay Round of global trade negotiations, which forced the opening of the rice market to imports, it said.

As for future tasks facing the administration, the report cited the need to strengthen the country's competitiveness by expanding social infrastructure and comprehensive

relaxation of administrative regulations. Early adoption of political reform bills, education reform, stabilization of consumer prices, and improvement in inter-Korean relations are other issues the administration will have to tackle in the near future, it said.

State-Owned Firms Scheduled for Privatization

*SK1902074094 Seoul THE KOREA TIMES in English
19 Feb 94 p 16*

[By staff reporter Sa Tong-sok]

[Text] The government yesterday announced a detailed schedule for the privatization of state-owned corporations and the sale of shares it holds in already-privatized companies from this year through 1998. Under the plan, about 7 trillion won of state shares will be sold to the public through the stock market or open bidding, the Economic Planning Board [EPB] said. Of the 7 trillion won, the Korea Development Bank holds 1.5 trillion won worth.

Thirty state-owned corporations will be privatized, including the Citizens National Bank, Industrial Bank of Korea, Korea Housing Bank, Korea Tobacco & Ginseng Corp., Korea Fertilizer, Korea Heavy Industries and Construction or Hanjung and National Textbook Printing Co.

The selling of state stocks is planned for the Korea Exchange Bank, Kia Steel, Lucky Metals, Dongbu Chemical, Daewoo Shipbuilding, Asiana Airlines and Samsung General Chemical. In addition, 11 companies including Daehan Coal Corp. and Korea Mining Promotion Corporation will be subject to merges, EPB officials said.

The privatization plan came in response to President Kim Yong-sam's call for reforming the state sector late last year. Kim, who has overseen wide-spread economic reforms since taking office a year ago, had ordered "major surgery" for poorly managed state firms.

The EPB said it reached a consensus with the Finance Ministry to privatize the Citizens National Bank [CNB] this year by abolishing the law governing the establishment of the CNB.

Privatization of the Industrial Bank of Korea and Korea Housing Bank will take place after 1996.

The Korea Tobacco & Ginseng Corp. whose annual sales amounted to 2.75 trillion won in 1992 will be privatized in 1998. Its net profit reached about 274 billion won in the same year.

Industry analysts said the massive privatization plan will spark cut-throat competition to take over the state corporations among the chaebol or large business conglomerates as seen in the hectic battle for the business license for the nation's second mobile telephone network.

Government officials, however, ruled out the possibility of special favors for enterprises, saying companies will be subject to regulations envisaged in the credit control rule and the antitrust law.

Analysts fingered such corporations as Korea Heavy Industries and Construction or Hanjung, Korea Tungsten and Korea Fertilizer as those which will draw keen attention from the business community.

Hanjung, emerging from its prolonged business downturn, has been posting net profits since 1991 and will be privatized in late 1995. The company, which is engaged in the manufacture of power generation and industrial facilities, recorded sales of 1.4 trillion won in 1992.

Also at the center of public attention is the Korea Tobacco & Ginseng Corp. [KT & G] which monopolizes domestic production and distribution of tobacco and ginseng. Analysts say the company taking over KT & G will gain a stable income source.

The business community says there also are numerous financial firms which will be profitable for the companies taking them over.

Pending privatization and mergers, the government has ordered all public firms to freeze recruitment, cut pay-rolls and drastically reduce various fringe state benefits, such as interest-free loans to purchase apartment houses and scholarships for employees' children.

Auto Shipments to U.S., West Europe Turn Brisk

*SK1902023894 Seoul YONHAP in English 0157 GMT
19 Feb 94*

[Text] Seoul, Feb. 19 (YONHAP)—South Korea's automobile exports to the United States and West Europe, which were sluggish last year, are now on track to a full recovery. The Korea Auto Industrial Cooperative Association said Saturday that 17,247 vehicles were shipped to the United States in January, a rise of 111.7 percent over the same month last year. Automobile exports to the United States registered a decline of 7.5 percent in 1993 from the previous year.

Shipments to West Europe reached 12,652 vehicles in January, up 32.7 percent over the same month in 1993 and far higher than last whole year's growth rate of 12.5 percent. Up until 1991, the United States and West Europe together took more than 50 percent of South Korea's exports of finished vehicles. Last year, however, the share slumped to 37 percent due to reduced market demand and realigned sales networks in the two areas.

Beginning around the end of last year, demand for South Korean-made cars, especially the Sonata II of Hyundai Motor and Shepia of KIA, has been rising fast in Germany, France and Italy as well as in the United States.

"Now the two major regional markets represent 62.6 percent of our total auto exports," an official at the association said.

Contrary to brisk shipments to these areas, auto exports to other markets have declined visibly since the turn of the year. Vehicles exported to other Asian countries in January numbered no more than 1,421, down 72.6 percent from January last year and off 89.2 percent from last December.

Shipments to Latin America declined 20 percent and to East Europe 63.6 percent in the first month of this year. The official said the slump in exports to these areas was due primarily to large stocks held by local dealers caused by brisk shipments late last year.

The country's automobile exports in January totaled 47,714, up 20.2 percent over the like period of last year.

Posco Huls Begins Production of M-DRAM Wafers

SK1902073094 Seoul THE KOREA TIMES in English 19 Feb 94 p 16

[Text] POSCO Huls has realized mass-production of 8-inch silicon wafers, a core material for M-DRAM (mega dynamic random access memory) chips, which have been entirely imported. Established as a high tech silicon wafer maker in December, 1990, the company is a three-party joint venture among Pohang Iron & Steel Co. (POSCO), Samsung Electronics and MEMC of the United States.

Its plant, set up at a cost of \$200 million and located in Chonan, Chungchongnam-to, has been turning out 6-inch and 8-inch silicon wafers since last March.

On Dec. 27, POSCO Huls, headed by Sin In-po, won quality recognition for its products, especially its 8-inch silicon wafers, from Samsung Electronics, the world's largest memory chip maker. As the recognition was tantamount to that by the world's semiconductor markets, POSCO Huls began to mass-produce 8-inch silicon wafers from the onset of this year, according to a company spokesman.

Operating the plant 24 hours a day, the company is supplying its products to domestic and foreign chip makers.

Thanks to POSCO Huls' achievements, Korea has become the fourth country in the world to be able to manufacture 8-inch silicon wafers following the United States, Japan and Germany.

The spokesman said that 8-inch silicon wafers enables their customers to sharply increase the added value of their products, while minimizing the defect ratio of their goods.

At present, POSCO Huls can roll off 40,000 8-inch silicon wafers per month but plans to increase the volume to 100,000 from next year following the expansion of the plant.

Monthly local demand for 8-inch silicon wafers now amounts to 15,000-20,000, most of which are used by Samsung Electronics.

Domestic demand will increase to 40,000 by the end of the first half of this year and to 100,000-110,000 early next year, the spokesman predicted. The spokesman said that the manufacture of 8-inch silicon wafers by POSCO Huls will translate into an import substitution of \$100 million at least for this year.

Of the three joint partners, POSCO and MEMC specializing in semiconductor materials hold a 43.6 percent share of POSCO Huls each and Samsung Electronics the remaining 12.8 percent stake.

Venture With Australian Telecom Company Starts

SK2002050794 Seoul THE KOREA HERALD in English 20 Feb 94 p 3

[Text] Atel, the first joint venture with a major foreign telecommunications service company, has started operations here, saying that it will launch a vigorous expansion into the fast growing Northeast Asian telecom market. The new company is a 13 billion won joint venture between PosData, a telecommunications service arm of Pohang Iron and Steel Co. (POSCO), and Telstra, state-owned telecom operator of Australia.

"We will start with the domestic value-added network (VAN) service market...but in the future we hope to play an active role in the Northeast Asian market," said Kim Tae-kyu, president and CEO of Atel, 51 percent of which is owned by PosData.

The company has already taken over some of PosData's VAN services including electronic data interchange, electronic mail and network integration and information services. The company also plans to provide international services in enhanced fax, voice mail and other VAN services. To this end, the company has established extensive links with such international services as CompuServe, Nifty-Serve, EasyNet and SprintNet.

Company officials said they are banking on the technological and market expertise of Telstra and the geographical location of Korea to launch into the Northeast Asian region including the Russian Far East and North Korea. Telstra, which was created in 1992 through a merger of Telecom Australia and international call carrier OTC, is the second biggest telecom operator in the Asia-Pacific region after NTT of Japan.

PosData runs a nationwide computer network service called PosServe and also offers various VAN services including a data network linking giant steelmaker POSCO and its numerous subcontractors.

First Decrease in Seoul Population Reported

SK2202025794 Seoul YONHAP in English 0232 GMT 22 Feb 94

[Text] Seoul, Feb. 22 (YONHAP)—Seoul's population has decreased for the first time in history.

The Seoul city government said Monday that the number of registered residents, including foreigners, in the metropolis stood at 10,889,972 at last year's end, according to a tentative tally. The number is down 0.7 percent or 79,890 from 10,969,862 at the end of 1992, city officials said.

The officials attributed the population drop mainly to government projects which have created sizable "bedroom" towns on the outskirts of Seoul.

An official said, "a lot of people have moved from Seoul to the bedroom towns including Pundang, Ilsan and Sanbon since an enormous number of apartments were constructed there in a government project to ease Seoul's housing shortage.

"In addition, many workers who formerly lived in the industrial complex in Kuro-ku have moved to other cities, looking for cleaner and easier jobs. Rural people are not coming to Seoul for jobs anymore."

The population in Kuro-ku, where several factories are clustered, fell by 14,684 to 724,230 at last year's end from a year earlier.

Burma

Indonesian Foreign Minister on Official Visit

Alatas Arrives in Rangoon 20 Feb

BK2102132194 Jakarta ANTARA in English 1117 GMT 21 Feb 94

[Excerpt] Yangon [Rangoon], 21 Feb. (OANA-ANTARA)—Indonesia in its capacity as chairman of the Nonaligned Movement wants to ask Myanmar [Burma] to play an active role in regional and international activities, Foreign Minister Ali Alatas said here Sunday.

Alatas who arrived here Sunday evening for a three-day official visit said in the current world changing situation, Indonesia hoped that Myanmar would be ready to take part in the development of various cooperation programs either in term of the North-South or the South-South cooperation.

The minister is on a visit in Myanmar to hold talks with his Myanmar counterpart U Ohn Gyaw on international, regional, and bilateral issues after a three-day tour of Laos.

Indonesia also hoped that Jakarta and Yangon ties would further be enhanced and stepped up by increasing concrete economic cooperation, Alatas said.

He said that after Myanmar succeeded in overcoming its internal problems, Indonesia wanted to ask Yangon to play an active role in various regional activities which would eventually lead it to return to its Southeast Asian membership. "For this purpose, we want to see what we can do as Indonesia has good traditional relations with Myanmar," Alatas said. He said that the latest developments in Myanmar indicated that this country had begun to approach its neighbouring Southeast Asian countries. "These developments are positive and need to be hailed," the minister said.

On bilateral ties, the minister said that both nations needed to fill in their ties with more concrete things. So far, the two nations have filled in their relations with cooperation far below their common potentials, particularly economic and trade potentials, Alatas said. [passage omitted]

Than Shwe Receives Alatas

BK2102011194 Rangoon Radio Burma in Burmese 1330 GMT 21 Feb 94

[Text] Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma] and commander in chief of the defense services, received Mr. Ali Alatas, foreign affairs minister of the Republic of Indonesia, and delegation at the Defense Ministry's Dagon House at 1000 this morning.

Present on the occasion together with Sr. Gen. Than Shwe were Lieutenant General Maung Aye, SLORC member, deputy commander in chief of the defense services, and

army commander in chief; Lt. Gen. Khin Nyunt, secretary-1 of SLORC; Lt. Gen. Tin U, secretary-2 of SLORC; U Ohn Gyaw, minister of foreign affairs; and Thura U Aung Htet, director general of Protocol Department. Mr. Mohamed Sanusi, ambassador of Indonesia, accompanied the visiting delegation.

Deputy Prime Minister Holds Talks

BK2202011694 Rangoon Radio Burma in Burmese 1330 GMT 21 Feb 94

[Text] A goodwill delegation led by Mr. Ali Alatas, foreign affairs minister of the Republic of Indonesia, called on Vice Admiral Maung Maung Khin, member of the State Law and Order Restoration Council [SLORC] and deputy prime minister, at the latter's office at 1100 this morning.

At the meeting, cordial and frank talks were held on bilateral economic cooperation matters and bilateral relations.

Alatas Meets Foreign Minister

BK2202054594 Rangoon Burma Television Network in Burmese 1330 GMT 21 Feb 94

[Text] Foreign Minister U Ohn Gyaw received visiting Indonesian Foreign Minister Mr. Ali Alatas at 1400 today at the Annex of the Ministry of Foreign Affairs.

The call was followed by official talks between the two foreign ministers at 1430 during which they had a friendly and cordial exchange of views on bilateral cooperation and matters of mutual interest in a cordial manner.

Present at the talks on the Myanmar [Burmese] side were U Ohn Gyaw, foreign minister; U Nyunt Swe, deputy foreign minister; and responsible officials. The Indonesian side was represented by Foreign Minister Mr. Ali Alatas and members of his delegation.

SLORC Reveals Policies on Thai Timber Trade

BK2202044994 Bangkok BANGKOK POST in English 22 Feb 94 p 28

[Excerpts] The Burmese Government has given Thai timber merchants until next month to haul 4,777 fallen logs out of Burma before it closes its forests, a source says. The source said that 47 Thai timber merchants have concessions in Burma but the Rangoon government decided last December to end them in a bid to save natural resources.

The Thais have been hauling logs out but some fallen logs remain in the concession areas and it may not be possible to remove them by the deadline. The source added that Thai timber concession holders have submitted their proposals to remove the fallen logs, but the Burmese government is still considering them. [passage omitted]

The Foreign Affairs Ministry source said that Burma's State Law and Order Restoration Council (SLORC), in consultation with several ministries, has outlined the following policies on the timber trade:

- The government will extend timber trading until March for the fallen 4,777 logs as an exception in the Maw area within the Northeastern military command;
- The Forestry Ministry will exclusively carry out timber trade. The Forestry Department will report transactions to the government for which the forestry ministry will draw up a yearly reverse sales plan, decreasing sales by 50 percent, 25 percent and 10 percent respectively;
- The Forestry Ministry will also oversee all timber production within Burma, shutting out local and foreign private enterprises;
- Internal timber trading and will be done on tender basis [as published];
- Cooperatives and private enterprises will not be allowed to export timber but will be allowed to process and export wood products;
- People holding stakes in joint ventures will also be able to buy timber under a tender system based on current prices abroad;
- The military will not be allowed to deal in timber trading;
- Cooperatives and private enterprises will be encouraged to produce processed wood for export.

Trawlers Warned To Avoid Oil Exploration Site

*BK1802150794 Rangoon Radio Burma in Burmese
1330 GMT 18 Feb 94*

[Text] According to the agreement reached between the Myanmar [Burma] Oil and Gas Enterprise and Texaco Exploration Myanmar and Corporation, drilling operations at Ye Mahn Aung-1—a test well in oil exploration block M-13 offshore from Tenasserim—will begin on 14 February. It is estimated that drilling operations will last for about 45 days.

A mariners' notice has been issued warning fishing trawlers to refrain from entering the vicinity of Ye Mahn Aung-1: North latitude 13 degrees, 17 minutes, and 41.70 seconds; and East longitude 96 degrees, 58 minutes, and 31.40 seconds.

Opposition Leader on Richardson-Dissident Meeting

*BK1902120794 London BBC in Burmese to Burma
1345 GMT 18 Feb 94*

[Telephone interview with U Sein Win, prime minister of the National Coalition Government of the Union of Burma, by Daw Tin Htar Swe of the BBC Burmese Section on the morning of 18 February; place not given—recorded]

[Excerpts] [Swe] How does the National Coalition Government of the Union of Burma [NCGUB] view the Congressman [Bill Richardson] meeting with SLORC [State Law and Order Restoration Council] leaders and Daw Aung San Suu Kyi?

[Win] We joyously welcome the meeting between Congressman Bill Richardson and Daw Aung San Suu Kyi. The meeting enabled Daw Aung San Suu Kyi to openly express her position not only to the Burmese people, but

also to the whole world; and we hope it is the beginning of the resolution of various problems in Burma. [passage omitted] What we are talking about is our hope because things will work out only when the SLORC, all the democratic forces—including the democratic forces led by Daw Aung San Suu Kyi—and the national leaders meet and seriously discuss problems. Otherwise, there will be no comprehensive solution to the problems in Burma. We believe in this, and our hope is based on our belief.

[Swe] It is true that Daw Aung San Suu Kyi once mentioned that national reconciliation is very crucial and she is ready to discuss the restoration of national reconciliation with the SLORC; but she has been out of touch with the outside world for a long time. And now the SLORC has even arranged cease-fires with small rebel groups. It is also planning to draw up a constitution and is laying down principles for it which will bar Daw Aung San Suu Kyi from a leading role in Burmese politics. Its relations with ASEAN are also improving. Therefore, the question is: who will benefit from the meeting between the SLORC and Daw Aung San Suu Kyi? The SLORC or democratic forces?

[Win] As far as we are concerned, although it is holding talks with the national ethnic groups, the SLORC has not reached any agreements. It has not signed any agreements officially. These are just discussions. We believe that political matters must be included in the discussions. We also believe that, if the discussions concentrate only on the cease-fire, without the inclusion of political matters, then the discussions will not be fruitful and will not last very long. Similarly, laying down principles to ensure the Defense Services' leading role in the politics and exclude Daw Aung San Suu Kyi from Burmese politics at the National Convention will not get approval if people do not accept them. It doesn't matter whether it is the constitution or not. The constitution, which is not accepted by the people, will not last long. We also believe that the SLORC should think about this.

[Swe] Following the meeting between Mr. Bill Richardson and Daw Aung San Suu Kyi, it has been learned that Japan is considering providing small-scale aid to Burma, not as a loan but as a small-scale financial aid. This news came almost at the same time as Mr. Bill Richardson's visit to Burma. Why does Japan have to announce its plan to provide aid to Burma at this particular time? What is your view, U Sein Win?

[Win] We are still studying this. Why is Japan helping Burma? We have just learnt that it will provide something like a grant to Burma. If we have to express a position, we think it is premature. We believe Japan's move to provide aid to Burma is premature if it has only taken Bill Richardson's visit to Burma and improvements in other areas in Burma as positive steps into consideration.

[Swe] During the last couple days, while Mr. Richardson was in Burma, the SLORC extended Daw Aung San Suu Kyi house arrest another year. What do you think about this?

[Win] We believe that the SLORC has no honesty. The SLORC used Mr. Richardson's visit to improve its international image and, at the same time, extended her house arrest. The SLORC has no right to extend the house arrest. According to the SLORC's laws it cannot be extended. As long as the SLORC continues to do contradictory things—breaching its own law and at the same time talking about the rule of law prevailing—we will have difficulties believing the SLORC. Having these doubts, we believe that it will be very difficult to establish and restore national conciliation.

Students Write on Need for 'Sincere' Talks

BK2002103894 Bangkok THE SUNDAY POST in English 20 Feb 94 p 20

[Article: "Burma Student Front: Slorc Must Conduct Genuine Peace Talks"—first paragraph is THE SUNDAY POST introduction]

[Excerpts] The Central Leading Committee of the All Burma Students' Democratic Front presents its perspectives of how peace negotiations should be conducted if the State Law and Order Restoration Council is truly sincere.

It is noteworthy that both internal and international disputes have been solved through peaceful negotiations, and the world is on the road to peace. Various methods have been applied for the resolution of seemingly insurmountable disputes such as apartheid in South Africa, the PLO and Israel, and the Cambodian civil war. The All Burma Students' Democratic Front (ABSDF) warmly welcomes all these achievements.

If a comparison has to be made between these international problems and the Burmese crisis, we sadly discover that the former were negotiated in a freer atmosphere than the latter—the most significant point being that bilateral views can be expressed and exchanged freely under the watchful eye of international observers.

In the case of Burma, let alone allowing these internationally-accepted norms, Slorc (the State Law and Order Restoration Council, which rules Burma) has not created an atmosphere of hope or sincerity, not to mention a spirit of compromise. Instead, it has set unwritten conditions, such as the venue must be in their controlled areas, etc.

The ABSDF has always accepted the peaceful solution of political problems through political means. However, there must be:

- A broad-based discussion on the current political problems
- The creation of a harmonious atmosphere, and
- The presence of international observers.

Slorc has deliberately ignored such conditions, without which chances of the talks' success are slim.

If we were to examine Slorc's overtures there is practically no chance of addressing the most important aspect—the political problem—which is the crux of the conflict, the

ulterior motive being that it will be discussed only at Slorc's orchestrated National Convention.

At its talks with the Kachin Independence Organisation (KIO), it repeated that unconditional surrender is the only way to political discussions.

By insisting that this is an internal problem and talks could be held only inside the country, choosing insignificant towns instead of cities, clearly shows that it wants only its own version to be known. At the same time, it will restrict the movement of any negotiating party to prevent contact with the populace. [passage omitted]

Despite their loud rhetoric, it is evident that Slorc is not heading towards a multi-party democracy. Instead, it is:

- Curbing fundamental freedoms,
- Liquidating some political parties and adopting multifarious methods to maim others, and
- Preventing people from participating freely in the political process.

The farcical National Convention aims to legalise the leading role of the Burmese army. Among other signs that the military has no intention of giving up power are:

- Nullification of the 1990 general election, which was a manifestation of the people's desire for democracy.
- Expansion of repressive measures, which continues unabated.
- Monopolisation of the economy through both long- and short-term projects.
- Expansion of the armed forces and purchase of huge amounts of weapons.

As the agenda for peace, all repressive measures must be revoked or abolished, such as martial law, extrajudicial killings, kangaroo courts, torture, concentration and interrogation camps, the secret Military Intelligence Service.

All political prisoners and prisoners of conscience must be released, and forced labour and forced eviction must be stopped.

Human rights must be protected and personal security guaranteed. Press freedom, freedom of assembly and freedom of expression must also be allowed, so as the rights of the workers and freedom in agronomy.

The military mechanism has to go. This means Slorc must reduce the number of the combat forces and prevent further coups d'etat from taking place. Further, it is imperative that the army be subordinated to a civilian government.

In regards to the ethnic minorities, equality and self-determination for them must be guaranteed. The right for them to freely participate in the political process is a must. Also, measures to promote the cultures and improve the living standards of ethnic peoples has to be implemented.

Compensation must be paid for losses caused by atrocities and civil war. Destroyed villages must be reconstructed,

forcibly-evicted villagers must be relocated to their original homes, violators of human rights must be brought to justice, and rehabilitation programmes for refugees must be set up.

And finally, Slorc must transfer power to the duly-elected people's representatives.

ABSDF's perspective on the ongoing negotiations between ethnic groups and Slorc is that it understands and sympathises with the difficult situation of the ethnic nationalities which have forced them to enter into the peace talks. The ABSDF regards them as allies until final victory.

The ABSDF urges the nationalities:

- To consider the whole national issues,
- Not to confine themselves to bilateral economic issues but to highlight democracy and their rights,
- To adhere to DAB policies, and
- To strive for the unity of democratic forces and ethnic nationalities. [passage omitted]

Brunei, Malaysia & Singapore

Malaysia

Government Ready To Send More Troops to Bosnia

BK1802141494 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 18 Feb 94

[Text] The government is still prepared to send additional troops to Bosnia-Herzegovina under the proposal by the Organization of Islamic Conference [OIC]. Defense Minister Datuk Sri Najib Tun Razak said however the government had not determined the strength of the troops.

He said the matter depended on the decision of the United Nations on whether or not to accept or reject the proposal. Malaysia also needs to hold discussions with OIC member countries in determining the strength of its troops and to find out their stand on the proposal. Najib said that he would also hold discussions with Pakistani Defense Minister Encik [Mr.] Aftab Shahban Mirani to find out his government's stand on the matter during his five-day official visit to the country from 25 February.

PBS Retains Majority in Sabah Elections

Mahathir: BN Intimidated

BK2002082594 Kuala Lumpur Voice of Malaysia in English 0600 GMT 20 Feb 94

[Text] In the Malaysian state of Sabah, the ruling Parti Bersatu Sabah [Sabah United Party], PBS, has won the state elections. It won 25 of the 48 state assembly seats contested to retain the reign of government in the state. It got the simple majority after the results of 44 seats were declared at 1030 PM [1430 GMT] last night. Newspapers described the PBS's victory as a slim one, as it defeated the Barisan Nasional [National Front] by only two seats.

Reports from Kota Kinabalu this morning said the swearing in of the new Sabah State Government before the governor, Tun Mohamed Said Keruak, was scheduled to be held at 0830 this morning.

Meanwhile, in a press conference in Kuala Lumpur this morning, Prime Minister Datuk Sri Dr. Mahathir Mohamed said he has been informed that many of the PBS state assemblymen have been held in confinement for fear that they would cross over to Barisan Nasional. He said Barisan Nasional has received the messages that some PBS state assemblymen have expressed their intention to join Barisan Nasional. Datuk Sri Dr. Mahathir said he was prepared to receive them.

Kitingan 'Locked Out' of Mansion

BK2002090994 Hong Kong AFP in English 0617 GMT 20 Feb 94

[By Mervin Nambiar]

[Excerpts] KOTA KINABALU, Malaysia Feb 20 (AFP)—Sabah's Catholic Chief Minister Joseph Pairin Kitingan, elected to another term, was unable to take his oath of office Sunday because he was locked out of the governor's mansion. [passage omitted]

The independent federal Elections Commission later declared the PBS the winner with 25 of the 48 seats in the state legislature, after a bruising campaign. The remaining 23 seats went to the National Front of Prime Minister Mahathir Mohamed, who had vowed to hound Kitingan out of office for deserting the federal coalition on the eve of parliamentary elections four years ago.

In Kuala Lumpur, Mahathir accused Kitingan of "unlawfully locking up" PBS legislators who wanted to switch their allegiance to the National Front. "The PBS should allow them to decide. Give them the freedom to move," he said. Mahathir also said that his National Front would not form a coalition with Kitingan, adding "There is no stalemate. It is up to the governor to decide" (who to swear in).

Kitingan told reporters early Sunday after that the governor's aides had told him through the locked gates that the governor was too sick to receive him. He accused the National Front of using money—some "dropped by helicopter"—to buy votes.

He also claimed that large numbers of Filipino and Indonesian immigrants were intimidated into voting for the federal coalition to avoid expulsion. "The elections were not fair," he said. The lock out was a virtual replay of Kitingan's first stunning election victory in 1985, when he was also refused entry into the then-governor's residence, and Muslim leader Mustapha Harun was sworn in as chief minister.

This time, the 76-year-old Mustapha, frail and ailing, briefly joined Kitingan outside the governor's residence on Saturday and again on Sunday in a show of support for his one-time Christian enemy.

Kitingan said he feared his elected assemblymen might buckle under pressure and defect. "We have heard that there may be some attempt to get our people to go to the other side," he said.

The election outcome showed a marked swing away from the PBS among Muslim and ethnic Chinese voters although Kitingan performed well in his traditional, mostly Christian, strongholds. Those areas are dominated by the Kadazans, the largest of several indigenous groups.

Mahathir had warned Sabah's almost 600,000 voters that a PBS victory could bring racial and religious strife between Christians and Muslims. He said the PBS had fanned racial, religious and parochial sentiment in the run up to the polls. "Does the PBS want to turn this country into a Bosnia-Herzegovina or Northern Ireland or Kashmir?" he said in a statement released Thursday. [passage omitted]

Kitingan Sworn In

BK2102052694 Kuala Lumpur BERNAMA in English
0423 GMT 21 Feb 94

[Excerpts] Kota Kinabalu, Malaysia Feb. 21 (OANA-BERNAMA)—Parti Bersatu Sabah [Sabah United Party] (PBS) President Joseph Pairin Kitingan whose party won the just ended state election with the narrowest margin possible was sworn in as chief minister of the East Malaysian state of Sabah Monday.

He took his oath of office before the yang dipertua negeri (governor), Mohamed Said Keruak, at 10.05 am local time.

Pairin had stationed himself by the istana [palace] gates since 9.40 pm on Saturday soon after his party won a simple majority, to stop any other person to be sworn in as head of state government. His action was to prevent a recurrence what is now known in local political circles as the 1985 incident. [passage omitted] Eight PBS winning candidates were sworn in as state cabinet members after Pairin took his oath of office. They are Bernard Dompok (Moyog), Amirkahar Mustapha (Banggi), Chau Tet Onn (Api-api), Joseph Kurup (Sook), Wilfred Bumburing (Tamparuli), Lajim Ukin (Klias), Lau Pui Keong (Karamunting), and Adib Sigoh (Nabawan). Dompok, Amirkahar, and Chau were appointed deputy chief ministers. [passage omitted]

Seeks Reconciliation With Mahathir

BK2202135994 Hong Kong AFP in English 1107 GMT
22 Feb 94

[By Mervin Nambiar]

[Excerpts] KOTA KINABALU, Malaysia, Feb 22 (AFP)—As the dust settles on possibly the dirtiest election in Sabah history, Chief Minister Joseph Pairin Kitingan faces the uphill task of repairing ties with Prime Minister Mahathir Mohamad, analysts said Tuesday.

"He has survived for now but the real battle is only starting," said an aide to Kitingan, the embattled Catholic politician who beat Mahathir's Muslim-dominated

National Front by a narrow two-seat margin in weekend polls to elect 48 members to the state assembly.

Kitingan made his first move toward a reconciliation with Mahathir on Monday, immediately after Governor Mohamed Said Keruak swore him into office after a humiliating 36-hour wait outside the bolted gates of the governor's mansion. "I hope things go smoothly. It's time to sit down and look ahead," he said, although supporters who kept a vigil outside the mansion for fear Kitingan would be denied office seemed less willing to overlook the indignity suffered by their leader. But the chief minister said threats made in the heat of an election campaign should not set the tone for the long-term relationship between his state and the federal government.

"Now that the election is over, there must be communication channels and sensibility," said Kitingan, who said Monday he would seek a meeting with Mahathir to improve federal-state ties. [passage omitted]

Sakaran Dandai, Sabah head of Mahathir's United Malays National Organisation (UMNO), the largest component in the National Front, said however that Kitingan's government cannot survive. "Several assemblymen have expressed interest in joining the National Front," said Sakaran, a federal minister.

Kitingan could also face a legal challenge to his right under the state constitution to appoint six members to the state assembly to fortify his position. "The provision may be in conflict with the federal constitution," according to federal Law Minister Hamid Albar.

Defense Minister Dismisses 'Arms-For-Aid Deal'

BK2202140194 Kuala Lumpur Radio Malaysia
Network in English 1300 GMT 22 Feb 94

[Text] Defense Minister Datuk Sri Najib Tun Razak has ruled out the possibility of making public the copy of the memorandum of understanding, MOU, on an arms deal which Malaysia signed with Britain in 1988. He said the copy of the MOU is a government document classified as a secret as it involves national security. As such, it could not be made public. He said this in an interview with BERNAMA in Singapore today. Datuk Sri Najib was asked to comment on a report that the Malaysian parliamentary panel headed by opposition leader Lim Kit Siang was seeking a copy of the bilateral defense agreement following British media allegations of an arms-for-aid deal involving the Pergau Dam.

Datuk Sri Najib said the issue was touched on when he met the British parliamentary undersecretary of state for defense, (Lord Clampton) who called on him at his hotel suite. He said they agreed that there was no linkage between the Pergau Dam project deal and the MOU. Datuk Sri Najib and (Lord Clampton) are in Singapore to attend the Asian Aerospace 1994 Air Show. Datuk Sri Najib said the DAP [Democratic Action Party] was making the arms deal an issue just as it would have on any other matter.

Strong GDP Growth Recorded in Third Quarter

BK2202095794 Kuala Lumpur Voice of Malaysia in English 0800 GMT 22 Feb 94

[Text] The Malaysian economy recorded a strong growth of 8.1 percent in its real gross domestic product, GDP, during the third quarter of 1993 against 10.1 percent in the preceding quarter. The strong growth was attributed mainly to the manufacturing and construction sectors with each sector registering a double-digit growth of 12.5 percent. The Central Bank, in its third quarter economic review, said that activities in the services sector were equally buoyant maintaining a growth of 9.6 percent, while the agriculture sector slowed down to 2 percent and the mining sector remained negative 0.8 percent. The continued buoyancy of the manufacturing sector reflected favorably growths of the export-oriented as well as domestic market-oriented industries. All the export-oriented industries recorded strong growths, especially the textile and wearing apparel industry, electronics and electrical product industries, and wood products.

Cambodia**U.S. Ambassador Criticized on Medical Aid**

BK2102035694 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 20 Feb 94

[Text] The U.S. ambassador to Phnom Penh, Mr. Twining, hastily provided the two-headed government with medical aid on 18 February. The bulk of this was surgical equipment and medicine. This was emergency assistance to the two-headed government's raiding forces, who have been engaged in major military operations especially at Anlung Veng and have suffered heavy casualties. Their many wounded are being treated at all the hospitals. The United States must stop interfering in Cambodia and desist from continuing to kindle the communist Vietnamese war of aggression in Cambodia.

Which is more beneficial: kindling the flames of war or letting Cambodians achieve national conciliation? The Cambodian people need national conciliation. They are resolutely opposed to all forms of aggressive war, wherever they may come from.

Troops Battle Armed Squatters in Phnom Penh

BK2202071694

[Editorial Report] REAKSMEI KAMPUCHEA in Cambodian publishes in its 19 February issue an approximately 1,000-word report on actions by government forces against trespassers in the O Bek K'am area in suburban Phnom Penh.

The report says that an appeal was made by Prince Krompreah Norodom Ranariddh, first prime minister, to armed persons who illegally occupied land in the O Bek K'am area. One day after the appeal was made, these persons still refuse to leave the expropriated land. "To resolve the issue peacefully, the government used airplanes

to drop leaflets containing the appeal of the prince on the disputed area, which is reported to be about 200 hectares.

"Faced with the stubbornness of these armed violators, on the afternoon of 17 February at around 1430, combined forces comprising troops from the special military region, the military police, and the Interior Ministry security police, accompanied by six tanks and armored vehicles, entered the area. The troops fired the first salvo against targets believed to be the positions of the ringleaders of the illegally armed persons."

"It is to be recalled that 80 percent of these land violators are armed and the other 20 percent rely on them."

"According to reliable reports, the ringleaders are a former FUNCINPEC (National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia) general, a field grade officer, a former lieutenant general and a major general of the Buddhist Liberal Democratic Party. Ten percent of this group is demobilized soldiers; some are former Cambodian People's Party troops."

"According to preliminary reports, the combined forces are in complete control of the area. They have arrested more than 20 trespassers and are burning houses built by them. According to reports from some people living near the area, by 1800 on 17 February four persons were killed in the assault."

In its 20 February issue, REAKSMEI KAMPUCHEA continues its report on the operations against the trespassers, saying that "about 1430, [on 18 February] the armed group, which according to reliable sources comprises about 100 armed persons, was still in the area and had fired two B-40 rockets at the special military region forces stationed nearby." According to the same sources, the special military region command and the Phnom Penh police received authorization following this incident to act to stop the violence.

"His Excellency [H.E.] General Tea Chamrat, co-defense minister, and co-Minister H.E. Yu Hokkri, accompanied by H.E. co-State Secretary Khan Savoeun, went to the scene. They issued orders to the forces in cooperation with the armored vehicles and tanks to launch an operation against the anarchic armed group."

"After a clash lasting about an hour and a half between the anarchic armed group—which one source says consists of former Sereika movement troops led by Seng Phirom and Yim Vanna—and the royal government security forces, the situation was calmed because many group members surrendered and others were arrested by the royal government forces. Realizing this unfavorable situation, the 'ringleaders' of the anarchic group managed to escape and take along some weapons."

"According to preliminary reports on the operation to eliminate armed anarchy lasting a full afternoon on 18 February, many anarchic structures in the 200-hectare area were dismantled and burned by the combined forces. Furthermore, some forces have disclosed that as a result of this clash, the royal government's combined forces finally

arrested 48 members of the anarchic group and the people staying in the area, including two women, and confiscated many weapons. "According to a reliable source, this brief armed clash resulted in a number of unspecified deaths and injuries."

The paper concludes the report saying that "on 18 February at about 0915, many members of the military police and the police force surrounded a building on Sivutha Road north of the Phsa Depo market in Tuol Kouk ward. The goal was to search and arrest some members" and that "a military policeman has disclosed that the combined forces arrested four suspects and took them to military police headquarters for questioning." According to this official, "what is regrettable is that a suspect, believed to be one of the ringleaders with the rank of major general, escaped before the search."

VGNUFC Seeks FUNCINPEC Rebellion

BK2202035794 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 21 Feb 94

["Appeal by Generals, Officers, and Troops of FUNCINPEC and all types of Para Soldiers To Oppose Their Chiefs," dated 19 February—read by announcer]

[Text] 1. On 18 February Tea Chamrat, Yu Hokkri, and Khan Savoeun—Army officers of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and co-ministers of national defense and security of the two-headed government—led hundreds of soldiers and policemen with many tanks and armored vehicles and many large and small weapons to attack and burn 400 houses of other FUNCINPEC soldiers and their families and of other Para [troops of the Khmer People's National Liberation Front] soldiers in Stoeng Meanchey, Chaomchau [Phnom Penh suburb]. Fifteen soldiers and their families died and over 30 were wounded; 60 were arrested.

2. The above savage and brutal act has caused all FUNCINPEC and other Para [Khmer People's National Liberation Front] soldiers to go through the roof with their anger. This represents FUNCINPEC Army officers and officials killing their men with their own hands. None of us ever thought this would happen.

What is the status of our chiefs now? Are they betraying their men? Are they colluding with the Hun Sen-Chea Sim group, lackeys of communist Vietnam? Can we remain with these chiefs? What should we do to stay alive? FUNCINPEC chiefs rounded us up to fight with no salary. Many of us died with no one caring for us. We starved and were very poor to the point of almost begging to stay alive. Our wives and children have been raped, oppressed, and exploited like animals. Land and houses have been plundered by our chiefs and we have practically nothing left. Our lives are constantly in the death pit. We asked for a salary, but were refused. We asked for a plot of land, but were also refused. They instead forced us to fight and die in great numbers, leaving our wives and children behind.

There is no justice. They have been killing us. If puppets of communist Vietnam kill the nation and the people and plunder land and other property of the nation and people, they voice their support for this.

What should we do? We should fight back. We should flee and return to the farms, till the land, and grow crops to live as dignified persons. We should not be lackeys and allow ourselves to be killed at will.

For the commands of Divisions 9, 3, 11, 7, 8, 12, and 5 of ANKI [National Army of Independent Cambodia—FUNCINPEC troops].

[Dated] 19 February 1994

Further on Results of Anlung Veng Offensive

FUNCINPEC Desertions Urged

BK2002101594 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 19 Feb 94

[Appeal to FUNCINPEC soldiers on Anlung Veng battlefield—read by announcer]

[Text] Appeal to the fraternal soldiers of the 9th and 3d Divisions of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] on the Anlung Veng battlefield:

1. The fraternal soldiers in FUNCINPEC's 9th and 3d Divisions have personally seen and experienced the casualties, shortages of food, and illnesses on the Anlung Veng battlefield.

2. In January and this February, you have seen and learned personally that hundreds of soldiers were killed or wounded and many dozens of them deserted their ranks everyday.

3. On 18 and 19 February alone, two generals, Phuong Sipphan from Division 5 and (Pich Yeang) from Division 286 were killed. Four colonels, 12 other officers, and 109 soldiers were also killed; uncountable numbers of them were wounded; and 82 others were captured. On 18 February, a T-54 tank was captured and two more were destroyed. On 19 February, two other T-54 tanks were destroyed. (?Kdei positions) of three regiments of Divisions 9 and 3 were attacked and completely destroyed. Routed soldiers are fleeing in disarray into the jungle. They are suffering from food shortages and will not be able to avoid death.

4. The ringleaders of the Vietnamese communist puppets, such as Long Sopheap, Prum Samen, and Keo Pisit, have already fled to the rear, some to Bak Nim and some others to (?Samraong), leaving all of you to face death on the frontline.

5. For this reason, you should stop fighting. Stop fighting and quickly flee to Route 68 and back to your wives. Do not linger on to face death. Do not stay on for you might be killed.

Generals' Deaths Confirmed

BK2202130894 Hong Kong AFP in English 1116 GMT 22 Feb 94

[Excerpts] PHNOM PENH, Feb 22 (AFP)—Cambodian Government officials confirmed Tuesday that two of its generals had been killed, one in action against the Khmer Rouge and the other while removing a land mine the guerrilla faction had left behind.

General Sung Sothan was killed Friday while trying to dispose of a mine laid by the guerrillas near their major base at Anlung Veng, in northwest Cambodia, which the government seized early this month, said Toan Chay, governor of Siem Reap Province and commander of the 4th Military Region. Khmer Rouge guerrillas killed General Chean Eam the next day in a firefight north of Anlung Veng, near the Thai border, as government troops carried out mopping-up operations, he told AFP by telephone. The Khmer Rouge had reported the deaths earlier, but Toan Chay dismissed their claim to have killed an additional four lieutenant colonels, 12 other officers and 109 soldiers in fighting over the weekend. [passage omitted]

A Defence Ministry official said the casualty figures for the whole Anlung Veng operation so far was 40 government troops dead and 178 wounded, adding that the Khmer Rouge lost 128 guerrillas with some 139 others wounded. [passage omitted]

Co-Premier Prince Norodom Ranariddh also expressed his condolences and issued a note of caution. "I would like to express my sorrow at the deaths of the generals. This shows that although we have captured Anlung Veng we must be careful. We need to clean out the whole area," he said.

Government officials meanwhile dismissed a Khmer Rouge claim to have destroyed four tanks and captured a fifth during recent fighting around Anlung Veng. An Information Ministry spokesman said the government had not lost any tanks and claimed a picture published in a Bangkok newspaper Monday showing a group of Khmer Rouge guerrillas standing on top of what was supposed to be the captured tank was several years old. [passage omitted]

Meanwhile, Prince Ranariddh said the government was still prepared to discuss with the Khmer Rouge a peace proposal put forward by King Norodom Sihanouk. The king suggested that certain "acceptable" members of the Khmer Rouge be given senior cabinet posts in return for the radical faction ceasing guerrilla activities, opening up its zones, and merging its fighters with the government's armed forces. "But up to now I have not received any letters or communication from the Khmer Rouge," the prince said. "The ball is still in the Khmer Rouge's court."

Tie Banh: Attacks to Continue

BK2102120094 Phnom Penh CAMBODIA TIMES in English 13-19 Feb 94 p 4

[By M.H. Tee: "Move on Khmer Rouge Positions Continue"]

[Excerpts] PHNOM PENH—The Royal Army's concerted push towards Khmer Rouge positions through out the country is expected to continue until April when several key guerilla positions are to be captured.

Defence Minister Tie Banh told The CAMBODIA TIMES that the Royal Army was pushing forward to all of the Khmer Rouge positions in the country and not just Anlung Veng. It was learnt that the push has resulted in severe casualties on both sides, although most of the government soldiers were injured by mines, booby traps and other hazards in addition to accidents.

At least 70 government soldiers have been admitted to the army hospital in the capital here with injuries suffered mainly from mines and booby traps. Very few of the soldiers were injured in the exchange of fire with guerillas. Although military sources said that guerilla casualties were very much higher, it could not be determined as to what the actual figures are. Most of them were either dragged away by comrades or were left in dense foliage.

Morale among the government troops were also reportedly high when the initial push reportedly met with little resistance. In this instance, the government was right when it said that there was no large scale clashes but mere skirmishes. [passage omitted] Diplomatic sources said that the outcome of the battle depended very much on the morale of the troops, the command structure, as well as how cohesive the various armies which merged into the Royal Army.

It is no secret that some of the guerillas are fighting hard and have been in high spirits as they have been well paid and fed by their commanders. Although the same is probably true with the Royal Army, it is certainly more difficult given the strength of the army and the Royal Government's own financial constraints. [passage omitted]

Radio: Rift in Government on Economic Policy

BK2002134694 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 19 Feb 94

[Letter from the Olympic market in Phnom Penh entitled: "The National Assembly Member and Traders at Olympic Market Expose the Two-Headed Government's Internal Dispute Over the Personal and Family Interests"]

[Excerpt] Following the dispute between Thai Boon Rong Company and the traders at Olympic market, there have been comments that Prince Krompreah Norodom Ranariddh should not have sided with the puppet Hun Sen in opposing Sam Rangsi who is the vice chairman of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party and finance minister of the two-headed government.

According to a National Assembly member from the FUNCINPEC Party, after the vendors at Olympic market protested against the Thai Boon Rong Company for greatly increasing the rent of their shops, not only had Prince

Krompreah Norodom Ranariddh failed to settle this problem as demanded by the vendors, but he sided with the puppet Hun Sen and Thai Boon Roong Company against Sam Rangsi, vice chairman of FUNCINPEC, who supported the protestors.

Phnom Penh residents know well that this Thai Boon Rong Company has joined hands with the ringleaders of the Vietnamese communist puppets, such as puppets Hun Sen and Chea Sim, in amassing and embezzling the wealth of the Cambodian nation and people worth hundreds of millions of U.S. dollars. During the elections organized by the UNTAC [UN Transitional Authority in Cambodia], this company financed the Vietnamese communist puppets' Cambodian People's Party [CPP] in competition with FUNCINPEC and other parties.

Vendors at Olympic market said that if Prince Krompreah Norodom Ranariddh had the courage to arbitrate, this problem might have been settled. A dried fish vendor said that the Prince Krompreah dared not do anything but side with the Vietnamese puppets and this bloodsucking company because he is so afraid of the puppets Hun Sen and Sar Kheng. As a matter of fact, the prince is afraid of this Thai Boon Rong Company because it bought a personal plane for the prince.

A National Assembly member from FUNCINPEC added that Prince Krompreah should not have associated and curried favor with the puppet Hun Sen and the CPP. He should not have associated with Thai Boon Rong Company, which subsidized the puppets in carrying out their election campaigns against FUNCINPEC and in killing many FUNCINPEC members. Prince Krompreah's activity has led him to a conflict with traders, the masses in Phnom Penh, and even with his fellow FUNCINPEC members to the point that he even wanted to drive out FUNCINPEC Vice Chairman Sam Rangsi as finance minister.

According to reliable sources in the Finance Ministry in Phnom Penh, in addition to Thai Boon Roong, there have also been problems with the French oil company [name indistinct]. The sources said that Sam Rangsi signed an agreement with this company, but the Vietnamese puppets in the two-headed government refused to recognize Sam Rangsi's signature. This is because they want to deal with only a Vietnamese company [name indistinct] through which they can monopolize the profits for themselves and their CPP. Here, Prince Krompreah Norodom Ranariddh also sided with the puppet Hun Sen against Sam Rangsi.

Almost all the masses in Phnom Penh, including students, civil servants, and traders in market places, have said that members of the two-headed government do not have any policy nor have they done anything for the interests of the Cambodian nation and people. They only want to serve the Vietnamese communists and foreign companies and to gain profits for themselves and their families. This is why all the problems have not been resolved. Some have said that if they were not protected by the Vietnamese police and the allies, these two-headed government members would have been dead from the outset. [passage omitted]

PDK Rejects Hanoi-Phnom Penh Commission

BK2102061894 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 20 Feb 94

[Statement by the Party of Democratic Kampuchea spokesman on 19 February; place not given—read by announcer]

[Text] 1. Hanoi communist Vietnamese Foreign Minister Nguyen Manh Cam was in Phnom Penh from 16 to 18 February. On that occasion, he announced that it was necessary to set up a commission to negotiate the border problem and the issue of sending Vietnamese nationals to Cambodia.

This was a very base and perfidious maneuver to enable the communist Vietnamese to legalize their annexation of Cambodia's land, seas, and islands by the tens of thousands of square kilometers and to legitimize the nearly four million Vietnamese nationals who have immigrated into Cambodia since 1979.

2. The party of Democratic Kampuchea [PDK] denounces and condemns with the utmost severity and indignation this savage and treacherous maneuver of the Hanoi communist Vietnamese, which is part of the concrete implementation of the late Ho Chi Minh's strategy of swallowing up Cambodia.

The question of Cambodia's territorial integrity and sovereignty is not negotiable. The communist Vietnamese must respect and abide by the pre-1970 Cambodia-Vietnam joint declaration and subsequent international agreements, especially the 23 October 1991 Paris agreement concerning Cambodia's territorial integrity, sovereignty, and independence and the inviolability of Cambodia's borders.

If the communist Vietnamese want good relations with neighboring countries and desire regional peace and stability, they must respect Cambodia's territorial integrity within its land and sea borders, which was internationally recognized between 1963 and 1969 in accordance with the UN Charter and other international laws.

As far as the nearly four million Vietnamese nationals sent to Cambodia since 1979 are concerned, their true nature is that of an aggressive force trying to annex Cambodia. In the past, they served as an abundant source of auxiliary force for the communist Vietnamese aggressive troops. At present, they are the instrument of the Hanoi communist Vietnamese in implementing their strategy of swallowing up Cambodian territory and exterminating the Cambodian race through demographic warfare. In this capacity, all types of Vietnamese aggressive forces must be totally pulled out of Cambodia. The Cambodian nation, people, and national resistance forces should not be held responsible for anything that might happen to these communist Vietnamese forces of aggression. All nations, peoples, and countries will always rise up and fight foreign forces of aggression in order to defend themselves, protect their own

right to live, and oppose external aggression and interference, which constitutes the most elementary principle of the universal declaration on human rights.

3. The Cambodian nation and people and the national resistance forces of Democratic Kampuchea are closely monitoring to see whether the two-headed government is being taken in by the base and perfidious legalization maneuver of the Hanoi communist Vietnamese.

Issuing the joint communique with the communist Vietnamese accepting negotiations on the question of Cambodia's territorial integrity and border is tantamount to giving the communist Vietnamese a free hand to legalize their annexation of Cambodian territory grabbed since 1979. Any party or individual who is taken in by the communist Vietnamese maneuver allowing them to swallow Cambodian territories and send their nationals to turn Cambodia into a second Kampuchea Kraom must be held responsible before the nation, the people, and the history of Cambodia.

[Dated] 19 February 1994

[Signed] The spokesman of the PDK

VGNUFC: Two Trains Attacked in Battambang

BK2202045994 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 21 Feb 94

[Text] On 15 February, a train carrying troops and military materiel intending to attack the national resistance forces and the people leaving Poipet for Battambang was attacked by the people's combined efforts. The locomotive was completely destroyed and six train carriages were derailed. Twenty-four soldiers of the attacking troops of the puppets of communist Vietnam and the two-headed government riding aboard the train were killed or wounded, including 10 soldiers based in Sisophon.

On the same day, another train carrying troops and war materiel left Battambang in the direction of Poipet. Upon arriving at Veal Trea, an explosion was caused by the people. The locomotive was destroyed and eight carriages were derailed. A number of attacking soldiers of the puppets of communist Vietnam were killed or wounded.

VGNUFC: Kompong Chhnang Train Attacked

BK2002101694 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 19 Feb 94

[Text] On 5 February, the people and the National Army of Democratic Kampuchea jointly ambushed a train belonging to the Vietnamese communist puppets and the two-headed government as it transported war materiel to support operations against the resistance forces and the people in the western and northern parts of Cambodia. The ambush took place near Krang Skea Station in Kompong Chhnang Province. We destroyed a locomotive and four cars, 120 AK rifles, 40 B-40's, and about 150 metric tons of ammunition and war materiel. We seized 12 assorted weapons and a quantity of war materiel.

Son Sann Wants Local Majority in Joint Ventures

BK2102115694 Phnom Penh CAMBODIA TIMES in English 13-19 Feb 94 p 4

[Text] PHNOM PENH—The Royal Government and locals must have the majority stake in any joint venture agreements with foreign companies. In addition to this, the country must also follow the example of many countries, among them Thailand, who do not allow foreign ownership of land and buildings.

There are legal systems which can be put in place which will preserve the interests of this nation and will still be acceptable to foreign investors.

In making this call, Son Sann, the Dean of the Members of the National Assembly, said in a statement: "The great misery endured by this nation dates back to 1970. Then, we witnessed the ruthless exploitation of our natural resources without profit or gain for our people."

"As such, there is a necessity in establishing an investment code. This code would reflect a reasonable degree of liberalism being based on mutual profit to encourage foreign investments but would also act to preserve our national interests."

"When I said the preserving of our national interests, I specifically meant to preserve our present interests which still remain to be preserved, as well as those of future generations," he said.

He added that it was within this perspective that he proposed (while waiting for an investment code reflecting a reasonable liberalisation, conceived with good consensus by the Royal Government and the National Assembly, with the present and future interests of our nation at heart) some necessary measures of precaution.

"Contracts not approved by the Supreme National Council or by the Royal Government should be cancelled or reviewed again. The occupation of certain economically important regions such as harbours, must be of a limited duration."

"We must make provision in these zones for a privileged zone to be reserved for locals and also a zone to be managed primarily by the Royal Government and, therefore, to be kept for future generations."

"With new friends and new accords currently being made, the Royal Government will certainly be able to obtain better conditions for our nation," Son Sann pointed out.

He added that with regards to oil exploration, fisheries and electricity, it would be desirable in the negotiations to have the collaboration of neutral and competent specialists, in particular well known local specialist residents in France or elsewhere who are current in their respective fields of research.

Indonesia

Demonstrators at U.S. Embassy Cite Drugs, Bosnia

BK2202080694 Hong Kong AFP in English 0738 GMT
22 Feb 94

[Excerpts] Jakarta, Feb 22 (AFP)—Up to 2,000 Muslim youths staged an anti-American demonstration in front of the US Embassy here Tuesday, accusing it of involvement in drug trafficking and of anti-Muslim policies. "We demand an apology from the US government over the involvement of its two diplomatic staff in the crime of drug trafficking," said members of the group, which claims to belong to the Front for Indonesian Youths Saviour.

One leader, haranguing the crowd through a megaphone, said the United States was influencing Indonesian youth with what he called a destructive culture, was unfair towards the Muslim world and was always forcing its interests on others. "America, out... America, AIDS...America, narcotics..." the crowd alternately yelled, as well as calling for the hanging of the two embassy staff. The crowd, which according to police estimates numbered 2,000 people, delivered a statement to the US Embassy. The embassy's spokesman was not available for comment.

The demonstration leader also blamed the unrealisation of the North Atlantic Treaty Organisation's (NATO) threat to launch an airstrike on Serbian positions in Bosnia on pressures from Washington. Washington, he said, was also trying to pressure Indonesia, the world's largest Muslim-populated nation, to open ties with Israel. [passage omitted]

Reading out parts of the statement handed to the embassy, they also accused US diplomat [of] "contempt for Indonesian laws," for sending two embassy staff members, accused last month of drug trafficking, to the United States last week. The embassy has said the men would be court martialled in the United States.

The demonstrators demanded that the two Americans, identified as Joseph Bryner and Michael Karajin, be returned to Indonesia for trial and that the embassy apologize for their conduct. The two, one holding diplomatic immunity, were among four foreigners and two Indonesian nabbed by the police here for their alleged involvement in the trade of a dangerous drug, known as Ecstasy.

The group, also said Washington needs to be fair and honest in viewing the rise of Islam and its followers and avoid the influence of the Jewish lobby when determining its foreign policy. [passage omitted]

Student Front Issues Demands

BK2202100094 Jakarta ANTARA in English 0916 GMT
22 Feb 94

[Excerpt] Jakarta, Feb 22 (ANTARA)—Thousands of students from Jakarta and Bandung staged a demonstration

in front of the US Embassy here Tuesday, on the Bosnia-Herzegovina issue and the recent drug trafficking involving two staff members of the embassy.

"We insist that the US Government apologize over the involvement of its diplomatic staff in illegal-drug dealing," said the protesters, calling themselves the Salvation Front for Indonesia's Youth Generation (FPGMI). They also accused the US Government for influencing Indonesian youths with its "destructive culture", being unfair towards the Islamic world and forcing its interest on others.

"The inconsistencies of the US in upholding justice and truth are reflected in its double-standard policy toward Islamic world," they claimed.

The demonstrators interspersed anti-American chants with shoutings of "God is great" and sang a march. "US Embassy: We sell xtc (ecstasy), narcotics and morphine", "USA satellite of Zionism" and "Nato and USA are cowards, not heroes," said the banner and poster totting crowd.

Two protesters then delivered a copy of their statement to an embassy staff, while the others peacefully and voluntarily dispersed before the police could make any moves to end the demonstration, which occurred in less than an hour. In the statement, the demonstrators demanded that the US Government honor and respect Indonesia's law and sovereignty by not abusing their privileges.

They also insisted that the US act honestly and fairly towards the Islamic world as well as refrain from using trade and economic issues for their own interests. [passage omitted]

U.S. Postponement of GSP Review Hailed

BK1902091694 Jakarta Radio Republik Indonesia
Network in Indonesian 0000 GMT 19 Feb 94

[Text] The Central Executive Council of the All Indonesian Workers Union [SPSI] has welcomed the U.S. decision to postpone a review of the Generalized System of Preferences [GSP] privilege for Indonesia because this will make it easier for Indonesia to prove that it is improving worker welfare. SPSI Secretary General Bomer Pasaribu said this in Jakarta yesterday in response to the U.S. decision to postpone the review of the GSP privilege for Indonesia from 15 February to September 1994. Bomer Pasaribu said Indonesia is redoubling efforts to enhance worker rights such as the rights of union and negotiations and increases in minimum wages and social benefits.

Earlier, Manpower Minister Abdul Latief said the U.S. Government decided to postpone the review of GSP privilege because it will discuss the GSP law in September. Thus, the Indonesian Government highly appreciates the U.S. Government's decision to postpone the review of U.S. 643 million worth of the GSP privilege for Indonesia.

Government Hails DPRK's Inspection Stance

BK2202135794 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 22 Feb 94

[Text] The Indonesian Government today welcomed North Korea's decision to accept inspections of its nuclear installations by the International Atomic Energy Agency. A Foreign Affairs Department statement released today said Indonesia hopes that this positive development will reduce the tension on the Korean Peninsula, which has recently been quite worrying. The statement also said that the comprehensive settlement of this issue will prevent a prolonged political crisis in East Asia and disturbances to the region's security.

Indonesia, as the chairman of the Nonaligned Movement, has noted the positive response from the international community, especially from countries in the East Asia region, and the remarks from other nations that this new development will open the door for negotiations between the United States and North Korea over the nuclear issue.

Laos**Indonesian Foreign Minister on Official Visit****Nouhak Phoumsavan Receives Alatas**

BK2002091694 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 19 Feb 94

[Excerpt] His Excellency [H.E.] President Nouhak Phoumsavan of the Lao People's Democratic Republic [LPDR] received a courtesy call from H.E. Ali Alatas, foreign affairs minister of the Republic of Indonesia, and his delegation this morning at the Main Hall of the Presidential Palace. The Indonesian delegation is currently on an official friendship visit to the LPDR.

The conversation between the host and the guests proceeded in an atmosphere of intimate friendship. On this occasion, H.E. President Nouhak Phoumsavan expressed his appreciation for the visit to Laos by the delegation, saying this visit will contribute to the further enhancement and promotion of the longstanding relations and cooperation between the two countries. H.E. Nouhak Phoumsavan also expressed his satisfaction with the outcome of the talks between the delegations of the Lao and Indonesian foreign affairs ministries, which concluded successfully with a new step of development.

The Indonesian foreign minister, H.E. Ali Alatas, expressed his profound gratitude for the warm welcome accorded to him by H.E. Nouhak Phoumsavan. He also thanked the LPDR Government and Foreign Affairs Ministry for giving them fine welcomes during their friendship visit. Through this visit, H.E. Ali Alatas expressed his confidence that the relations of friendship and cooperation in various fields between Indonesia and Laos will be gradually strengthened. [passage omitted]

Foreign Minister Meets Alatas

BK1902102594 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 19 Feb 94

[Text] Yesterday, His Excellency [H.E.] Somsavat Lengsavat, foreign affairs minister of our country, held talks with H.E. Ali Alatas, foreign affairs minister of the Republic of Indonesia. A delegation of the Indonesian Foreign Affairs Ministry headed by H.E. Minister Ali Alatas is currently on an official friendship visit to our country. The delegation is scheduled to be in Laos from 18 to 20 February.

In the talks, which proceeded in an atmosphere of close friendship, the two ministers informed each other of the situations in their respective countries. They exchanged views on international and regional issues of common interest. They also discussed the direction for the promotion and expansion of the friendly relations and effective cooperation between the two countries in the immediate future.

H.E. Somsavat Lengsavat hailed various achievements won by the Republic of Indonesia in building the country and in actively carrying out activities in the international arena, in particular in the nonaligned movement, during the years following independence.

H.E. Ali Alatas acclaimed various significant achievements initially won by our Laos in implementing the restructuring policy, in broadening cooperation with foreign countries, and in pursuing its foreign policy.

The two ministers both approved of the favorable trend in the relations and cooperation between the countries in Southeast Asia and the world. The two sides have reiterated the intention of their respective governments to strengthen relations and cooperation in various fields, in particular in the economic, trade, scientific, and technical fields, between the two countries for the common benefits of the Lao and Indonesian peoples.

H.E. Ali Alatas, foreign affairs minister of the Republic of Indonesia, and his delegation arrived in Vientiane by a special plane at noon yesterday for an official friendship visit to our Laos. He, his wife, and the delegation were accorded a warm welcome upon their arrival at Wattai Airport by H.E. Somsavat Lengsavat, along with his wife and delegation.

Alatas Offers Aid

BK1902092894 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 19 Feb 94

[Text] The Indonesian Government will offer Laos cooperation in various fields of development to contribute to development in that country. This was revealed during talks between Foreign Minister Ali Alatas and his Lao counterpart Somsavat Lengsavat in the Lao capital of Vientiane yesterday. During the cordial talks, Foreign Minister Ali Alatas explained Indonesia's experience in various development programs such as family planning, agricultural development, health, village rehabilitation, public housing, and social welfare. Foreign Minister Ali

Alatas arrived in the Lao capital yesterday for a three-day official visit at the invitation of the Lao foreign minister.

Somsavat, Alatas Hold Briefing

*BK2202132394 Vientiane KPL in English 0919 GMT
22 Feb 94*

[Excerpt] Vientiane, February 21 (KPL)—The visit to the Lao PDR [People's Democratic Republic] by Mr. Ali Alatas, who is the first Indonesian foreign minister to pay an official visit to the country since the two countries established their diplomatic relations in 1957, is of historic significance for these two countries to strengthen their relationship and develop their cooperation to economic field.

Foreign Minister Somsavat Lengsavat said this in a joint interview held before the departure of the visiting Indonesian foreign minister and his delegation yesterday morning.

In the joint interview, Mr. Ali Alatas said that the aim of their visit at the time was to discuss with the Lao side about seeking ways to deepen the Lao-Indonesian good relations leading to economic cooperation. The Indonesian foreign minister expressed his satisfaction that he had an opportunity to work and discuss with Mr. Somsavat Lengsavat and to visit President Nouhak Phoumsavan and other Lao leaders. He said this will enable both sides to see a deeper mutual understanding with their better cooperation.

Mr. Ali Alatas also voiced hope that Indonesia and Laos will sign an agreement on economic and technical cooperation when the Lao foreign minister is visiting Indonesia in the near future at his invitation because Laos and Indonesia have been coordinating and cooperating in various activities, especially in the settlement of the Cambodian issue.

The Indonesian foreign minister pointed out the position of Indonesia to international issues and those in Southeast Asia. As Indonesia is holding the chairmanship of the Nonaligned Movement, he indicated the stand and policy of the movement on such issues as South-South relations, North-South relations, and the activities of the movement within the UN framework. [passage omitted]

Alatas Concludes Visit 20 Feb

*BK2202002394 Vientiane Vitthayou Hengsat Radio
Network in Lao 1200 GMT 21 Feb 94*

[Excerpts] His Excellency [H.E.] Ali Alatas, foreign minister of the Republic of Indonesia, and his delegation concluded their visit to the Lao People's Democratic Republic [LPDR] on the afternoon of 20 February. They left Luang Prabang in northern Laos for Rangoon in the Union of Myanmar [Burma].

During his three-day visit to the LPDR, H.E. Ali Alatas was accorded a warm welcome by H.E. LPDR Foreign Minister Somsavat Lengsavat. The two sides held talks to exchange views on various international and regional

issues of mutual concern and on the strengthening of friendly relations and cooperation between the two countries in the immediate future. The two sides held identical views on the positive trend regarding the development of relations and cooperation among the countries in Southeast Asia and the world. The two sides reiterated the intentions of their respective governments to strengthen bilateral relations and cooperation in the economic, trade, scientific, and technical fields in the common interest of Lao and Indonesian peoples.

On the morning of 19 February, H.E. Ali Alatas and his delegation paid courtesy calls on H.E. LPDR President Nouhak Phoumsavan and H.E. Khamphoui Keoboualapha, deputy prime minister and chairman of the Committee for Planning and Cooperation. [passage omitted]

Seeing off H.E. Ali Alatas and his delegation at Wattai Airport were H.E. LPDR Foreign Minister Somsavat Lengsavat; H.E. Kasman Pahala Siahaan, ambassador extraordinary and plenipotentiary of the Republic of Indonesia; H.E. U Maung Maung Lay, ambassador extraordinary and plenipotentiary of the Union of Myanmar to the LPDR; and a number of high-ranking cadres concerned.

Philippines

'Internationalization' of Spratly Dispute Proposed

*BK2102084494 Manila MANILA STANDARD in
English 18 Feb 94 p 5*

[Excerpts] A high-ranking official of the Department of Foreign Affairs yesterday proposed the "internationalization" of the territorial disputes in the South China Sea through the intervention of the Association of Southeast Asian Nations (ASEAN) and the United Nations to prevent several countries from asserting their claims through the use of force.

Discarding previous proposals of confining the problem within the East Asian region, Foreign Affairs Undersecretary Rodolfo Severino said that injecting a "degree of internationalization" to the South China Sea issue will help lead to a more enduring and binding solution to the conflicting claims.

Severino presented this proposal during the third international workshop on ASEAN-UN cooperation in Peace and Preventive Diplomacy in Bangkok, Thailand. The Department of Foreign Affairs released copies of his briefing paper to the media. [passage omitted]

Despite the potential of armed conflict erupting in the region due to the disputes, there are no existing mechanisms readily available to prevent this scenario, or any concrete proposals to resolve the problem peacefully, Severino noted.

Severino explained that, ensuring the close cooperation of the ASEAN and the UN in peacefully resolving the brewing conflict will squelch fears that internationalizing the issue will only complicate it and lead to interference by "outside powers" who have no direct interests in the

problem within the South China Sea. "On the other hand, one could argue that some degree of internationalization could be a form of preventive diplomacy," Severino said. "Focusing the international spotlight on a volatile, albeit regional problem, can effectively restrain states from resorting to the threat or use of armed force."

He added that bringing the issue to the United Nations will help ensure that any aggressor in the region will be held accountable "and will have to face the political consequences of his act."

Severino said that instead of waiting for the problem to erupt into a full-blown conflict, the ASEAN and UN should start working hand in hand as soon as possible to prevent any instability in the East Asian region.

Severino said that involving the ASEAN in the settlement of the claims in the South China Sea will limit international participation to the positive gains under this proposal.

Officials Burn Illegal Cassette, Video Tapes

BK2102131794 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 21 Feb 94

[Text] Confiscated illegal cassette and video tapes and other fake products were burned in Pasig earlier today. The ceremony was attended by representatives from the Videogram Regulatory Board [VRB] and Committee on Intellectual Property Rights. According to Trade Secretary Rizalino Navarro, their campaign against groups copying products with patents, copyrights, and trademarks will not stop.

Meanwhile, VRB Chairman Javier Carbonell said that they will continue to conduct raids on video shops selling or renting illegal tapes. VRB raided video shops in Greenhills and Pasig in Manila the other week.

Thailand

Clash With Cambodian 'Pirates' in Gulf Reported

Three Trawlers Sunk, Navy Involved

BK2102013094 Bangkok BANGKOK POST in English 21 Feb 94 p 1

[Excerpt] Three trawlers were sunk in a battle between Thai navy gunboats and suspected Cambodian pirates off southeast Thailand, officials and witnesses said yesterday. Two Thai fishing boats and one pirate boat went down after catching fire during the fighting, witnesses said. The Thai boats were apparently caught in the crossfire between the navy and the pirates. The navy detained 14 suspected pirates. Witnesses said casualties must have been high as 40mm cannons, rocket-propelled grenades mortars and machine guns were used. The navy confirmed the battle but declined to give details of casualties.

The captain of a fishing boat sailing in the Gulf of Thailand near the Thai island of Ko Kut said the battle

broke out on Saturday morning when three Thai navy boats exchanged fire with the suspected Cambodian pirates.

A naval officer from the patrol boat Kan Tang, which guards fishing boats in the area said the battle took place in an area about eight miles (13 km) south of Ko Kut. It started after the naval boats had gone to the assistance of Thai fishing boats which he said were being robbed by Cambodian pirates.

Witnesses at Klong Yai port in southeast Thailand said two navy gunboats arrived late on Saturday with 14 Cambodians on board. They were taken away to an undisclosed location.

Pirate attacks on fishermen in the Gulf of Thailand have been increasing at an alarming rate and forced the navy to provide round-the-clock security for the fishing fleet, fishing industry sources said. [passage omitted]

Prasong Justifies Firing on 'Pirates'

BK2202041894 Bangkok BANGKOK POST in English 22 Feb 94 p 8

[Text] Foreign Minister Prasong Sunsiri yesterday justified Thailand's right to fire on Cambodian armed trawlers and said Thailand was seeking compensation for damage from Phnom Penh. Sqn Ldr [Squadron Leader] Prasong said the Foreign Ministry's treaty and legal affairs division had concluded that Thailand had the right to claim damages because the armed trawlers intruded into Thai waters, an act against Thai and international law.

A battle between the Navy's gunboats and suspected Cambodian pirates took place on Saturday off Koh Kut in Trat province. One Cambodian trawler and two Thai fishing boats, apparently caught between the Navy and suspected pirates, were sunk.

Sqn Ldr Prasong maintained that the Foreign Ministry would call for "high level" talks unless Cambodia paid for the damage. Thailand has set a condition for Cambodia to pay for the damage to two Thai trawlers and to pay for the treatment of one injured navy crew member.

Cambodia called for the release of 14 suspected pirates detained after the battle, he said. The cost of damage to the Thai fishing boats was not known, according to the minister.

Thailand held talks between the Trat provincial governor and the chief of staff of the Chantaburi-Trat Force and Cambodia's Koh Kong governor, Rung Phlamkesan, who reported the outcome of the talks to those concerned, he said.

The pirates were being detained in Trat for questioning. They were suspected of being Cambodian soldiers, he said.

Sqn Ldr Prasong said the Cambodian armed trawlers were believed to have been stolen from Thailand.

Navy Commander-in-Chief Adm Prachet Siridet said the suspected pirate ships were actually "Cambodian warships" which came into Thai water to arrest Thai trawlers. The battle erupted after the Cambodian ships ignored warning shots. He said the Thai Navy was patrolling Thai waters 24 hours a day to ensure safety for Thai fishermen and were now in need of new patrol boats because existing ones had been in service a long time. He said the violent incident could have been avoided if the Cambodian warships had let the Thai trawlers go after warning shots were fired. He said there might be ulterior motives for the Cambodian actions but he did not want to reveal these.

Defense Minister Comments

BK2202150794 Bangkok Radio Thailand Network in Thai 1200 GMT 22 Feb 94

[Text] Efforts have been made by various parties to reach an understanding through discussions over an incident in which Thai fishing boats were fired upon by foreign soldiers who claimed that Thai trawlers intruded into Cambodian waters off Koh Kong Province. An exchange of gunfire ensued as a result.

Commenting on it, Interior Minister General Chawalit Yongchaiyut said the shooting was a result of misunderstanding. He said the governor of Trat Province is holding a discussion with the governor of Koh Kong to settle the problem. Gen. Chawalit said he knew nothing about the reported closing of the border at Koh Kong.

Defense Minister General Wichit Sukmak said that negotiations had been held, and he believes the problem will be settled. He said the Thai Navy proposed a joint patrol of the area. He said he had reported to the prime minister the steps taken on this matter.

[Begin recording] [Wichit] If there is a channel for talks, I believe there will be a settlement on the issue. The Thai Navy proposed a joint patrol of the area to prevent future incidents.

[Unidentified reporter] Have you reported the incident to the Cabinet?

[Wichit] No, but I have reported to the prime minister about the guidelines we have followed to deal with the problem. We are coordinating work with the foreign minister and the interior minister to settle the problem. I told foreign correspondents a while ago that we have received cooperation from the Cambodian defense minister, His Excellency Tie Banh. We have already discussed the matter with him. [end recording]

Army Chief Vows Strong Action

BK2002152394 Bangkok MATICHON in Thai 20 Feb 94 p 3

[Text] Army Commander in Chief General Wimon Wongwanit said any Cambodians who intrude into Thailand will be arrested, disarmed, and sent back to Cambodia.

Speaking at the Army Golf Course on 19 February about the intrusion by Cambodian soldiers at An Ma Pass, the army chief said should there be any new intrusions, the army will deal with them strictly. He said the incident at An Ma Pass was not serious because there were no houses there. Concerning the problem of the abduction of Thai villagers by Khmer bandits, he said he had instructed border units to deal with the problem harshly. He said: If they are rough with us, the army will be tough with them, no matter if they are civilians or soldiers. The army had been mild with them because they were considered friends. They have no reason to accuse us of supporting the Khmer Rouge.

Gen. Wimon said Thailand suffered numerous losses from clashes between the government and Khmer Rouge forces. Thailand wants to see the fighting stop because it has brought difficulties to both soldiers and civilians on the Thai side.

Editorial Urges Negotiations

BK2202111594 Bangkok MATICHON in Thai 22 Feb 94 p 2

[Editorial: "Thai-Cambodian Clash"]

[Excerpts] An unfavorable neighborly skirmish between Thailand and Cambodia took place late last week when warships of the two countries clashed in the Gulf of Thailand. The Cambodian warship reportedly encroached on Thai territorial waters to seize Thai fishing trawlers. As a result, the Cambodian ship was sunk, and the Cambodian crewmen were rescued and detained by Thai authorities. A Thai fishing trawler was also sunk during the gun battle. This type of small war is in fact one of the common problems between countries sharing the same border.

In any event, such a border brawl, be it on the land or in the sea, is not a big problem as long as authorities of the two countries can settle the conflict quickly to prevent it from further aggravation, which can lead to a bigger war. If the governments of the two countries intend to safeguard their friendly relations, they can establish direct contacts, even through their embassies, so that they will be able to get in touch to settle any conflict and prevent animosity between the peoples of the two countries. [passage omitted]

The solution to the problem is that the Thai Government must keep close contacts with neighboring countries and warn Thai fishing trawlers to stay away from territorial waters of other countries. The solution sounds simple. Meanwhile, the government must hold talks with the neighboring countries to encourage them to join hands with us in the fishing industry. So far, our government's efforts in this regard have not been successful. Burma, to cite an example, has decided to terminate the fishing cooperation agreement with us and adopt a new policy of shooting at all Thai fishing trawlers found violating its territorial waters. It is very likely that this sort of problem between the two countries will never be solved.

Cambodian Soldiers Withdraw From Thai Base

*BK1902093294 Bangkok BANGKOK POST in English
19 Feb 94 p 6*

[Text] Cambodian government troops yesterday bowed to a demand by the Thai military to withdraw from a Thai base at An Ma Pass after a spillover from fighting with Khmer Rouge forces.

About 500 Cambodian Government soldiers seized a Khmer Rouge stronghold near the Thai-Cambodian border yesterday morning and were later able to seize the camp after attacking it with heavy shelling. Some of the Cambodian forces allegedly intruded into Thai territory at An Ma Pass and later occupied a Thai military base about 50 metres from the common border.

The Cambodian troops earlier refused to pull out of the base, claiming they wanted to wait until they were able to clear landmines on the Cambodian side. They later agreed to withdraw after a tough stand from the Thais. During negotiations, a Cambodian soldier was killed when he stepped on a landmine.

A Cambodian soldier said the Cambodian government planned to launch large-scale offensives against Khmer Rouge strongholds this dry season. About 100 shells reportedly landed on Thai soil during fighting yesterday morning but there were no reports of casualties or damage to Thai property.

Further Reaction to Taiwan President's Visit**PRC Repeats Regrets**

BK2002105894 Bangkok ZHONG HUA RIBAO in Chinese 20 Feb 94 p 4

[Text] 19 February, 1994. A Chinese Embassy spokesman issued a press release on Li Teng-hui's so-called "holiday" visit to Thailand. The press release reads:

Regarding the "holiday" visit to Thailand by Taiwan's Li Teng-hui and his delegation, the Chinese side had repeatedly explained its stand and made solemn representations to Thailand in advance. The Chinese side had repeatedly pointed out that Li Teng-hui, in the guise of holiday-making, had attempted to develop "substantive relations" with Thailand, to create "two Chinas" in the world, and to damage and disturb the existing friendly relations between China and Thailand. China hoped that Thailand would have taken into account its overall interests in the maintenance and development of the Sino-Thai relations and cancel Li Teng-hui's visit to Thailand. We notice that although His Excellency Prime Minister Chuan Likphai did not meet Li Teng-hui, Li Teng-hui did visit Thailand and meet some Thai leaders and senior government officials. Therefore it has violated the commitment made by the Thai Government on the Taiwan issue when China and Thailand established diplomatic relations. This is deeply regrettable.

Commentary Views Visit

BK2002102094 Bangkok THE SUNDAY POST in English 20 Feb 94 p 24

[From the "From the Editor's Desk" column by Phaisan Sicharatchanya: "Towards a New and Independent Taiwan State (Separate from China)"]

[Excerpts] Taiwan President Li Teng-hui pulled off an unusual sort of diplomatic coup last week after completing his three-nation swing through Southeast Asia. For a self-proclaimed island republic that has been isolated in the international community as a result of China's increasing influence on the world stage, Mr. Li's 'holiday' diplomacy appears to have worked.

Despite vocal protests from Peking even before he left Taipei, the Taiwanese president managed to secure informal meetings with Indonesian President Suharto and Philippine President Fidel Ramos. Although he did not meet Thai Prime Minister Chuan Likphai as earlier expected, Mr. Li sought and was granted a symbolically significant private audience with His Majesty the King in Bangkok.

The diplomatic controversy kicked up by Mr. Li's Thai visit did not come as a surprise—treating Taiwan like a renegade province within the jurisdiction of its empire as it does, Peking would have been remiss of its responsibility if it had not protested against the Thai government. Likewise, the ensuing debates between senior Thai officials and opposition politicians over the pros and cons of Mr. Li's 'vacation' were also expected.

Critics who warned of negative diplomatic and economic ramifications from incurring the wrath of China might have a valid point in drawing the distinction between the Dalai Lama's visit here last year and Mr. Li's trip. Whereas Thailand scored some plus points among Western nations from hosting the Dalai Lama, there was virtually no diplomatic asset from hosting Mr. Li this time, not to mention the bruised feelings between Bangkok and Peking.

But taking the pessimistic view—as senior Opposition Leader and Former Prime Minister Chatchai Chunhawan did—that China might withdraw from (its participation in) the often-trumpeted Economic Quadrangle out of resentment over Mr. Li's visit has come across as being too farfetched. The Quadrangle scheme envisages bringing development—a combination of trade, tourism, and investments—to otherwise backward and land-locked areas of southern China, parts of Burma, Laos, and northern Thailand. If China chooses to deny its own territory of such development, then it is too bad. [passage omitted]

The potential negative repercussions aside, it was understandable why the Thai authorities had unofficially welcomed Mr. Li. Since Thailand broke off diplomatic relations with Taipei and switched to recognise Peking nearly 20 years ago, this country had not only kept up but also expanded its bilateral economic ties with Taiwan. [passage omitted]

The favourable assimilation between ethnic Chinese and Thais here is definitely more conducive to further growth in Taiwanese investments than certain other ASEAN countries where racial differences run deep. This is not to mention the prospect of legitimising the estimated 50,000 Thai workers in Taiwan and sending more workers there.

On balance, the immediate gains for Thailand from hosting Mr. Li appears to outweigh the potential adverse repercussions from upsetting Peking. And in retrospect, our conduct of an independent foreign policy would have been cast in a poor light if we had kowtowed to Chinese pressures in denying Mr. Li's visit.

This does not mean to say that the policy of unofficially accommodating Taiwan should remain static. Bilateral Thai-Chinese interests could well develop to such a dominant extent in the future that warrants pushing Taiwan to the sideline. In the meantime, it is the Foreign Ministry's responsibility to minimise whatever damage caused with China. [passage omitted]

Article Views Possible Gains

BK2002113994 Bangkok THE NATION in English
20 Feb 94 p A8

[Article by Kunachada Chaiphiphat under the "Viewpoint" rubric: "Taking a Risk on 'Holiday Diplomacy'"—first paragraph is THE NATION introduction]

[Excerpts] Taiwan President Li Teng-hui came to play golf, but those very unofficial, very private chats he had with top businessmen from three of China's regional allies certainly roiled the waters. Was it worth it?

The so-called "holiday diplomacy" trip to Thailand by Taiwanese President Li Teng-hui, which ended on Wednesday, has prompted some tough questions here.

First, is the visit to be seen as a test of wills between those who uphold Thailand's One-China policy and those who are hearing Taiwan's money talk—or was it aimed at garnering political support from economic partners throughout the world? Second, was the "one-metre march", as President Li described his Southeast Asia tour, a signal that the island nation is making a diplomatic move toward declaring itself a new state—and will China use force to stop it? Third, what does Thailand stand to gain from the visit? [passage omitted]

Elsewhere in Asean or the Indochinese states newly recovered from wars and needing massive foreign investment, Taiwanese businessmen always come in force and are invariably given a warm welcome.

Save for promoting national identity to weld together the mainland's plethora of diverse ethnic minorities and autonomous regions, it seems pointless for China to try and stop her neighbours from doing business with Taiwan. At the same time, it is too early to say whether Taiwan will be able to successfully swing political support over to its side.

A senior security official says China and Taiwan's relationship will continue to be a classic display of diplomacy, until the two sides settle their differences either by peace or by force. "Taiwan's aspiration is to exist as a state separate from China, in much the same way as North Korea and South Korea co-exist."

At this point no country, not even the United States, which helped separate the Korean peninsula, would put money on the Taiwanese side. "The overriding interest of the United States, in maintaining a peaceful presence in this region, is to befriend China," said the expert.

Hypothetically, he said, if Li's provocative tour was a test of world support for Taiwan declaring itself a new state, the island's best hope would be that global support would prevent China from using military force in response. This hypothesis will have some basis in fact if what President Li told local reporters when he returned home is translated into action. Li jokingly said he needed to march a hundred metres in order to gain world support. [passage omitted]

The same official said things will be much clearer after Hong Kong is handed back to China in 1997. "How China treats Hong Kong will have far-reaching implications for Taiwan too."

Thai officials at the Foreign Ministry said the economic gains to be made in allowing Li's visit are not evident. In the Philippines, Taiwanese businessmen are keen to turn Subic Bay into an industrial zone, while Indonesia and Taiwanese investors are planning to build an aircraft factory in Bundung. A senior official said the visit to Thailand was a gain for the Taiwanese. "Taiwan can claim back home that it has surmounted the Southeast Asian wall," he said.

Thailand, the official noted, has had both good and bitter experiences with China in terms of history and culture. "Why didn't China make as much noise in Singapore as it did here?" he asked. [passage omitted]

It is true Taiwanese investment in Thailand appears to have reached the saturation point. The choice of the Philippines and Indonesia as the first two stops shows where the priorities of Taiwanese investors lie. Board of Investment figures show that Taiwanese investment here has dropped from Bt [baht] 6.4 billion in 1991 to Bt5.96 billion in 1993. The turn-down has contributed to the relocation of the investment market to China and Vietnam.

So there are good reasons to encourage additional investment and to welcome Li without "violating the understanding, reached on the Taiwan issue", as China claimed. Moreover, even if Taiwanese investment has peaked in Thailand itself, there is plenty of opportunity for the Taiwanese to play a key part in the newborn Growth Quadrangle and the yet-to-take off triangular economic cooperation involving Thailand, Malaysia and Indonesia. [passage omitted]

It is perhaps a bit unfortunate for Thailand to have been the last stop on Li's three-nation tour after so much propaganda from Taipei. [passage omitted]

As it turned out, the personal nature of the visit to Thailand was self-evident. The Chinese would only have to look at the people who received Li—Deputy Prime Minister Amnuai Wirawan (known as Lin Ri Guang due to his business connections with Taiwan), his cousins and a few Thai businessmen including Utane Techaphaibun and Chatri Sophonphanit. They all had business reasons for talking with the visitors. [passage omitted]

Article Reviews Li ASEAN Tour

BK2202084094 Bangkok XING XIAN RIBAO in Chinese 20 Feb 94 p 8

[Article by Dr. Zun Qi: "Li Teng-hui's Holiday Diplomacy"]

[Excerpts] Taiwan, known as the Republic of China, has behaved itself in the international community for over 20 years. After losing its United Nations seat in 1971, many countries, including Japan, ASEAN countries, and the United States, broke diplomatic relations to establish diplomatic relations with Beijing. Those countries, however, continue to maintain normal economic relations with Taiwan. [passage omitted]

Now, Taiwan maintains diplomatic relations with only 29 countries, mostly small and poor countries in Africa or Latin America. No Asian countries have diplomatic relations with Taiwan, although they maintain good trade links with it. Taiwan leaders, especially President Li Teng-hui, want to improve Taiwan's position in the international arena. So they practice constructive diplomacy through informal visits or a "holiday" diplomacy. [passage omitted]

President Li Teng-Hui and his delegation arrived in Thailand on 14 February. In Phuket, President Li Teng-hui met some leading Thai businessmen such as rice exporter Hu Yulin [Thai name: Saman Ophatwong] and Li Guanglong [Thai name: Wisit Lilasithon]. He also played golf with Deputy Prime Minister Amnuai Wirawan. Although President Li Teng-hui did not meet Prime Minister Chuan Likphai and Foreign Minister Squadron Leader Prasong Sunsiri, he had an unexpected audience with the king for 20 minutes before leaving for home. Taiwan's efforts were successful, but it spent a lot for the ASEAN tour.

China tried to prevent the "holiday diplomacy." The Chinese Foreign Ministry issued warnings, saying that any reception of President Li Teng-hui would be tantamount to the violation of the "one-China" policy and affect bilateral relations. Moreover, China also canceled a visit by a National People's Congress delegation to Thailand and the Philippines. [passage omitted]

Thailand upholds the "one-China" policy. The Thai leader also did not meet President Li Teng-hui. So, China should understand Thailand's stand.

Taiwan's "holiday diplomacy" is profoundly wise. It will not achieve concrete political achievements, however,

unless China loses its wisdom. All in all, it is believed that China will wisely continue to maintain its relations with ASEAN countries.

Military, Government in Arms Trade Dispute

Wimon Rejects Trade Role

BK2202051994 Bangkok THE NATION in English 22 Feb 94 p 1

[Excerpts] Army Commander in Chief Wimon Wongwanit yesterday accused the Defence Ministry of failing to coordinate government and military discussions about the food-for-arms barter trade policy. "All the problems and confusion should be referred to the permanent secretary for defence or the defence minister," said Wimon. "I want to know how they interpret the government's policy and whether they can explain it."

Wimon, who appeared testy while speaking to reporters at the National Defense Institute, said the army has no knowledge about barter trade. "We know nothing. We don't know what are Thailand's agricultural products. We don't know the prices. We don't know about marketing strategies. Our duty is to defend the country, not to trade," the army chief said. "Soldiers have to abide by orders. For example, if we need 155mm ammunition or artillery shells for target practice, the Defence Ministry can now no longer provide them because it has to follow Cabinet instructions. "I have asked the Defence Ministry how the government policy can be put into practice when we still need to know so much more. First of all, we don't know whether the barter trade should be implemented only in cases of major purchases. The ministry cannot give an answer."

Wimon complained that many arms proposals of the army have "bounced back" from the Defence Ministry. "It seems we can't move now. We can move only when the Defence Ministry has clear understanding [of the government's policy]. But what has happened is everything we proposed has bounced back," he said. "We need a system, otherwise in every arms deal we will have to bring with us cattle or pigs."

Meanwhile, senior government officials yesterday appeared to soften the food-for-arms policy, saying the military can still make deals to purchase weaponry while the government will negotiate with the supplier to buy Thai commodities.

Foreign Minister Prasong Sunsiri said the military's misunderstanding of the policy had led to the confrontation between the armed forces and the Chuan administration. "It doesn't mean that we take our domestic products and ask foreign suppliers to accept them in exchange for arms," he explained.

The government's prime concern is to avoid a trade deficit. Relations between the government and the military floundered when the Cabinet insisted last week that the Air Force must employ a barter system for its planned purchase of six transport planes—worth more than Bt4 billion—from Italy.

Top brass, including Army Commander-in-Chief Wimon and Supreme Commander ACM Woranat Aphichari held a special meeting to discuss the issue and concluded that the idea is both old-hat and impractical.

Prasong said if the armed forces wanted to buy any military equipment they would just have to keep the government informed so that the relevant agencies could try to arrange the sale of Thai commodities to the country in question.

"We just want to ensure the country does not acquire a trade deficit. It's not a matter of exchanging rice for arms and the military understood it," he insisted. He said military leaders will accept the government's barter policy "because the military these days is very disciplined and ready to comply with the government policies, better than in the past". [passage omitted]

The president of Alenia, the Italian firm marketing the G-222 transport planes sought by the Air Force, met Commerce Minister Uthai Pimchaichon yesterday to discuss the proposed purchase.

Deputy Commerce Minister Chaiyot Sasomsap said the government will not scrap the planned purchase, but is negotiating for Italy to buy Thai farm produce. He said the Defence Ministry will ask Alenia to extend the validity of the quotation, which expires this month.

Defense Minister Criticized

BK2002100594 Bangkok THE SUNDAY POST in English 20 Feb 94 pp 1, 3

[Excerpts] A prominent Democrat yesterday criticised Minister Wichit Sukmak for failing to liaise effectively with military top brass to explain the Government's policy. The party's secretary-general, Sanan Khachonprasat, said: "I don't know how the Defense Minister has explained this policy to the commanders for them not to have understood it and to have come out with the statements that they have."

The Industry Minister was speaking in Chiang Rai, where he was attending a gathering of office managers and executive committee members of the party's Northern branch to brief them on the political situation. Maj. Gen. [Major General] Sanan said it was the duty of the Defense Minister to go back again and try to explain the Government's requirement to the commanders.

Prime Minister Chuan Likhai, reaffirming the Government's commitment to its arms-through-barter policy, said he was confident the Defense Minister would be able to talk armed forces commanders into accepting it. Mr. Chuan said the Defense Minister had been asked to try once again to explain the Government's policy to the top brass. "I believe the Defense Minister can clear up any misunderstanding (the commanders) may have," he said. [passage omitted]

Maj. Gen. Sanan said the Government had never asked the armed forces to renegotiate the deal because the armed forces could not conduct the talks by themselves. "It is not

Government policy to allow the Armed Forces to engage in negotiations. We only want talks so that Italy can be convinced to buy more Thai goods," he said. He said the arms market was at present in the hands of buyers because of a preponderance of manufacturers.

Waiting to allow responsible agencies to negotiate with the Italian Government would not upset the armed forces procurement process, and the Government was prepared to absorb any extra cost that might be caused by the delay.

He denied that the Government was putting pressure on the armed forces by tightening the procurement process. "We have to look at the whole picture," he said. "Our farm products are suffering. Everyone must help, particularly the armed forces. Other government agencies are no exception."

Deputy Prime Minister Suphachai Phanitchaphak denied that the Government was interfering with the Armed Forces' procurement process. "We want some delay only in order to press Italy to give Thailand more favorable terms on the deal," Mr Suphachai said. "We are about to spend thousands of millions of baht. We should have some more in return for what we're going to spend." [passage omitted]

Military Opposed to Arms Barter

BK1902093494 Bangkok BANGKOK POST in English 19 Feb 94 pp 1, 3

[Excerpts] The Government's firm stand on its policy for the armed forces to try to negotiate a barter deal to acquire military hardware from abroad came under criticism from the top brass yesterday.

Supreme Commander ACM [Air Chief Marshal] Woranat Aphichari said the Government policy for the Armed Forces to procure weapons through barter deals was "impractical" and should be rectified. ACM Woranat's statement came after the Cabinet on Tuesday turned down the Air Force's request to forego the policy in acquiring a fleet of transport planes from Italy. The Air Force wants to buy six Italian-made medium G222 transport planes at a cost of US\$131.5 million with funds allocated over the five years starting this year. [passage omitted]

Responding to ACM Woranat's comments, Prime Minister Chuan Likhai before leaving for Trang province insisted the military must comply with the policy. "If (the military) can try, then it must try. If it has not tried and just thinks that it cannot do it, then that is not correct. If we try and it fails, then we can talk," Mr Chuan said.

At the end of the Armed Forces' commanders' monthly meeting, ACM Woranat said the Government policy adopted in November would delay the arms acquisition process because the talks would be more time consuming. The delay could result in price increases and the Government having to pay more for the same equipment if deals could not be reached within deadlines. The Armed Forces had limited funds and the price increases would become a financial burden, he said.

ACM Woranat insisted that the Armed Forces had tried to follow the Government's policy in the arms acquisition plans "but since we are facing the difficulty in implementing it, then we have to inform the Government".

Under the Cabinet resolution in November, the Defence Ministry has assigned the Supreme Command to study how to barter Thai farm products for weapons.

The Commerce, Agriculture and Foreign ministries will be told in advance by the Supreme Command from which country the military will procure arms and see whether barter deals can be made. [passage omitted]

Lt-Gen Anuson Kritsanaserani, the director-general of the Armed Forces Information Office, said the armed forces commanders during yesterday's meeting expressed concern over the policy and assigned the armed forces controllers to look into the problem. He said the meeting also asked why the Cabinet did not impose similar conditions on contractors of mega-mass transit projects such as the elevated electric train systems.

Defence Minister Wichit Sukmak earlier said the Air Force would strictly follow the Cabinet resolution in settling the aircraft deal with Italy but noted that any further delay in the acquisition might result in an increase in price and quality.

RTAF [Royal Thai Air Force] commander ACM M.R. Siriphong Thongyai said he understood the Government's policy on arms procurement, saying that country would benefit from such a deal. However, he said the Government had limited time in the barter deal on G222s. [passage omitted]

Deputy Prime Minister Suphachai Phanitchaphak said the Cabinet merely wanted to make the utmost benefit out of the plane purchase plan for trade negotiation with Italy. The Government had no intention to interfere with the armed forces in their arms acquisition process. If the barter deal was too difficult to achieve, Thailand could obtain some other forms of trade benefits from Italy.

Thailand, for example, could ask Italy to ease its trade barriers on Thai canned seafood, or urge it to help talk with other European Union members to reduce tariffs on Thai exports such as tapioca or canned tuna sent to the community.

The Government did not require that Thailand must purchase the Italian planes only through the barter deal.

It may agree to such other things as more favourable trade terms or even for its support for certain Thai positions in the European Union, Mr Suphachai said. [passage omitted]

Daily Criticizes Military Position

*BK1902110894 Bangkok THE NATION in English
19 Feb 94 pp A1, A3*

[Commentary under the rubric: "Nation Analysis—Military-Govt Ties"]

[Excerpts] The military's resistance to the government suggestion that future arms purchases could be funded through barter agreements with foreign suppliers is in every way typical of the armed forces' reaction whenever they feel their home turf is being violated.

Previous government attempts to have the military trade agricultural products for defense equipment have proved futile. This time the armed forces are saying once again that bartering is neither feasible nor appropriate for arms procurement, particularly when it concerns the need to modernize weapons systems.

Barter would require the use of international commodity trading firms to handle sales of agricultural products with the proceeds going to pay the weapons suppliers. This is a cumbersome, complicated arrangement, personally unrewarding—and not preferred by those who want something under the table.

Multi-billion baht arms procurements in the past usually meant a lot more than professional pride to military leaders, who staunchly protected their vested interests under the pretext of "national security" and argued that acquisitions should not be subject to any scrutiny by the government.

The present generation of military leaders—though with a relatively good image—still owe some explanation to the government as to why they think barter trade is not acceptable when arms procurement is needed.

They know they still bear the brunt of public criticism arising out of questionable deals concluded by their predecessors, with doubts over possible kickbacks heightened due to the huge wealth of many in the top brass.

The public has a clear memory that whenever a barter deal has been suggested in the past, senior military officers have defended their preference for commercial deals or direct cash purchases by arguing that the best and most suitable weaponry could not be purchased by barter.

But subsequent embarrassing incidents revealed there had been more than just simple shady dealing involved. The weapons acquired were sometimes found to be far below acceptable standards, their shortcomings raising serious doubts about their effectiveness in a war.

Controversies involving Stingray light tanks, the Spada air defense system, and Bell Helicopter purchases, for example, have caused the generals to scramble for lame excuses to dilute the negative effects of the public outcry over suspicious deals—about attractive commissions and kickbacks for all, from those responsible for preliminary arrangements up to the top decision makers.

There have been only a few successful bidders for arms deals, as the record of the armed forces shows. Fewer than five firms have shared in cozy arrangements with the military, with Commercial Associates Co Ltd at the forefront with huge deals every fiscal year.

The company represented the makers of Stingray light tanks, the Spada anti-aircraft missile system, Bell Helicopters and AMX jet fighters, among others. The Stingray and Spada purchases proved embarrassing for the Army last year when defects were detected. In the end, the manufacturers agreed to carry out repairs free of charge.

When the deals for the Stingray tanks and Spada rockets were proposed in the late 1980s, top Army figures were strong in their support, saying they were appropriate for Thailand's defense capability. Key military figures of the time, such as Supreme Commander Gen Sunthon Khongsomphon and deputy Army chief Gen Wanchai Ruangtrakun, have all since retired and, as expected, none of them came forward to defend the equipment last year.

If the military genuinely wants to modernize its defense capability, it should have avoid weapons not in use in the armies of other countries [sentence as published]. For example, the military keeps on buying Bell combat helicopters which are no longer used by the US armed forces. At one time, they wanted to buy used helicopters decommissioned from the US forces, arguing that they were still in good condition having been repaired and refitted. [passage omitted]

A notable point is that the Thai armed forces have frequently been the "launch customers" of an item of defense equipment, such as the Stingrays. This raises the question whether there was something more involved than just a direct commercial arrangement.

It could be that many types of weapons purchased by Thailand were procured on the assumption that they would never be used in battle and whatever defects there might be would never be known to the public. Risks of exposure were considered minimal, except in the cases of bad luck or a power play among military figures.

The controversies surrounding the Stingray light tanks and the Spada missile system have proved otherwise—that they were not the most modern or most suitable weapons, as claimed.

Government Position Assessed

BK2002114994 Bangkok THE NATION in English
20 Feb 94 p A14

[From the "Sideline" column by Sophon Ongkon: "Chuan Government Loses Leverage with Military"]

[Text] The displeasure of the military top brass over the barter trade for arms must have startled the Chuan Cabinet. The impressive line-up of the armed forces leaders was an overkill for the increasingly beleaguered administrator which seems to be limping towards the end of the road.

What has inspired the military leaders to take such a bold move could be anybody's guess. Government weakness is a simple answer. To the public, this is indeed a bad sign. The upbeat statement on the barter trade made by the generals on Friday would have been unthinkable in the days after the May 1992 bloodshed.

It was the worst moment for the administration which has been closeting itself in a self-woven political cocoon amidst the public criticism over its lacklustre performance. It cannot pick more fights, especially with the armed forces. The timing was good for the military chiefs because they know that not many people would want to side with the administration which has alienated itself from former allies and supporters.

They are also aware that the administration has been fighting on many fronts and struggling to stay in power. Its energy has been drained by inept handling of critical issues such as protest rallies staged by farmers and other victims of grievances while creating more adversaries in the same process.

Had the government been able to maintain a cordial relationship with public-interest groups, such as NGOs, academics, students, labour unions, and the Confederation for Democracy—or even the press—things would have turned out differently. The armed forces chiefs would have thought twice before flexing their muscles—something quite unfamiliar during the past two years.

Alas, many cabinet members seen on television with sound bites showed only sheepish smiles, while avoiding reporters' eye contact when they were pressed for their reactions to the military hyperbole. Obviously, it was not their day. The ego, inflated during the verbal duels with academics, seems to have shrunk considerably.

We suspect that the way the armed forces bosses thundered their statement, echoed through a spokesman, must have driven some cabinet members out of their wits. They might be fretting over a question: Would the doomsday for the government come so soon?

There was one positive aspect though, when we saw that the top brass behaved much less like bullies—a style preferred by their predecessors. May be they know the current limits, and prefer to wait until the government can no longer function with enough credibility.

But that was still not enough. The commanders should have adopted a more subtle method, a low-keyed approach, in dealing with this issue. A quiet chat would have been sufficient to avoid unnecessary ill feelings and public concern when it looked more like a confrontation.

At the same time, their rejection of the government's proposal for a barter of agricultural products with defence procurement must be amply justified instead of saying just that such arrangements would be too complicated and unworkable. They cannot spend other people's money on their own will.

They should explain why. If they do not have much regard for the administration, they must still take the taxpayers into consideration. The people have become more wary. They certainly want to know who will be the eventual targets of the expensive firearms and other fearsome weaponry bought with their sweat and toil. There was a painful lesson for the people who had braved the bullets and batons on Ratchadamnoen Avenue two years ago.

The military leaders have to come up with some sort of assurance that the weapons they intend to acquire, with cash or other means, are not the defence equipment which have defects and fail to perform reasonably well in time of war as witnessed in the purchases of Stingray light tanks and the Spada air defence missile system last year.

Things have changed. The commanders have to learn to cope with the ongoing social evolution. At least a sense of accountability to the public should be instilled in the holders of public offices, no matter what branches in the government they are in.

If the commanders want arms to modernize their forces, they should produce credible proposals and allow more public scrutiny to display sincerity. These are also means to ensure that some fat-cat generals are barred from ill-gotten gains. An embracing excuse such as "national security" cannot impress the people all the time, especially those who are not gullible enough.

A fact is that there are no secrets anymore, even in the arms bazaar. All countries know what are being bought and sold, by whom and to whom, with the smallest of details and specifications. What remains a secret, or little known, is the extent of commissions, or kickbacks, given by arms merchants to grease the hands holding the pen to sign the procurement contracts.

All commercial transactions offer commissions, and only foolish buyers or traders would be unaware of the existence of kickbacks. This is a major factor which has enriched so many people involved in arms deals in our country in the past three decades.

This is no wonder at all. Many military officers with simple family backgrounds—some as poor as church mice—have been able to amass wealth before their retirement like acquire foreign assets and generously acting as political paymasters.

If Prime Minister Chuan and his administration think that the military show-off was in fact a bullying tactic, then they must show some spines themselves. Chuan's legendary razor-edged tongue must brave the menace of the bayonet. Beseeching should not be an alternative to a compromise. The taxpayers and nobody else, always have the final say with their money. They are entitled to a sensible explanation as well.

Who knows? If government leaders are willing to take the bull by the horns, cheering fans might emerge from somewhere to give them a push while temporarily burying their hatchets only for this particular incident. The last thing the government should do is underestimate the power of the people.

After all, the people know that the bull cannot be allowed to run amok and frighten the public so that it can gain more ground, and eventually dominate the whole arena again.

The government should not take pleasure in committing failures so much that it is producing another one.

Military Reaction Censured

BK2102111494 Bangkok MATICHON in Thai
21 Feb 94 p 2

[Excerpt] [passage omitted] The armed forces must always realize that the money used for the purchase of weapons comes from the national budget; that is, tax money collected from the people. Since the government cannot simply print banknotes, it must be careful and make sure that the money is spent properly. It is apparent that someone has profited from commission fees associated with every weapons purchase the armed forces have made. Hence, the thundering news conference held by the military top brass reminds us of the old saying: "A careless utterance tarnishes a good image."

Editorial Backs Government Stand

BK2102130394 Bangkok KRUNGTHAP THURAKIT in Thai
21 Feb 94 p 2

[Text] The three armed forces commanders have the democratic right to express their disagreement with the cabinet resolution on the purchase of G-22 transport planes, worth some 3.4 billion baht, through barter trade. Soldiers are regarded as government officials who must comply with government policy, but it is good that they openly express their opinion about certain policies that they find impractical instead of keeping quiet and refusing to implement such policies, as some civil servants have been doing.

The three armed forces commanders, however, believe that this government harbors hatred against the armed forces and looks for any opportunity to bully them. They claim it is improper for the government to impose the same policy on the procurement of military hardware and materials as on the construction of public facilities such as the elevated electric train system. Things have now changed. We believe that the elevated electric train project is a higher priority than the weapons needed for the country's defense. There is currently not much of an external threat to national security, but the traffic problem has become a national issue.

It does not make sense to say that if we do not decide now the price of the planes will increase. It will not be difficult if the armed forces clearly understand the arms barter policy from the very beginning. They can agencies to help arrange purchases using this method. It is true that the armed forces have no expertise in this area, but the Commerce Ministry and several international firms can offer assistance. They know which countries produce what kinds of weapons and military hardware and what agricultural products they want. If the armed forces had only been a little more patient and had not revealed their position so hastily, the people would not have the feeling that there is a rift between the government and the military.

We support the government's endeavors to tackle the problem of low crop prices through the practice of barter trade. Although it might not work out perfectly, at least we will be able to sell our crops in cases of production surplus

or falling prices. The armed forces should realize how this scheme can benefit our poor farmers. If they really cannot implement the policy, though, they should talk to the government and explain the possible adverse consequences. The government's intentions are good, but it has not spelled them out clearly to the agencies concerned.

It was not a surprise when the three armed forces convened a meeting and declared their disagreement with the government's arms barter policy, because they lack a clear understanding of it. It is necessary for the armed forces to study this policy thoroughly before they can implement it successfully.

We appeal to the government and the armed forces to try to reach an agreement on which level this policy should be applied at, and the fact that this is one method to help solve the problem of low crop prices. We must make sure that deals are carried out in a transparent manner and that nobody pockets commission fees, as repeatedly has happened in various agencies.

Daily Questions U.S. Fairness on Copyright

BK2202110794 Bangkok *KRUNGTHERP THURAKIT* in Thai 22 Feb 94 p 2

[Editorial: "The United States Must Act With Fairness"]

[Text] A group of American companies late last week sent a petition to U.S. Trade Representative Mickey Kantor indicating that Thailand is among the 36 countries with a gross violation of American copyrights. It says the private sectors in those countries were responsible for piracy of books, software, movies, and discs resulting in a loss of some 200,000 million baht to them. It is a pity the complaint did not give a specific figure about the damage caused by Thailand alone.

It is quite understandable why American companies complained—they wanted their government to apply Section 301 of the U.S. Trade Act to penalize Thailand. Thailand is one of the countries on the priority watch list facing U.S. trade retaliation. It is possible the United States would take action against them the way it is doing with Japan for rejecting conditions offered by the United States to solve the problem of trade surplus—Japan agreed to solve the problem, but not the way dictated by the United States. It also indicated it would take action before the G-7 meeting, or the meeting of the seven industrialized countries. That was Japan's condition. As for Thailand, it has no choice but to wait and see what decision the United States makes. This depends on how sincere and how serious Thailand is concerning its efforts to suppress copyright violations.

We think the Commerce Ministry has been trying hard to suppress copyright violations. There have been raids and seizures of pirated cassettes, and the products are destroyed. Legal actions have been taken against imitators. However, the rate of arrests might not be big enough for the American companies; otherwise they would not have complained to the U.S. Trade Representative.

So we think that to avoid U.S. trade retaliation Thailand, through the Commerce Ministry, should take action more seriously and consistently to stop copyright piracy. We must show to the United States that we did not remain oblivious to the problem, and thus the proposal by the American companies is not justified. The government must protect the interest of the nation against negative impacts caused by a handful of law violators.

Anyway, we would like to appeal to the United States to be fair. As Thailand is cracking down on the illegals, certain countries are abusing the copyright law to a greater extent. The United States did not show any concern. If this is allowed to continue, it would be unfair for those with their names on the U.S. priority watch list.

The United States realized what was going on, but it was reluctant to react because this involves a big country with a large population and a gross human rights violation. The United States closes its eyes and pretends not knowing what is going on. Can this be called a discrimination by the United States?

If the answer is no, that means the United States applies different rules to different countries.

Foreign Trade Official Pessimistic on SRV

BK2202053294 Bangkok *THE NATION* in English 22 Feb 94 p B1

[Excerpts] Does the end of the American trade embargo against Vietnam mean an overnight miracle for Thai investors? Pathom Phanityanuson from the Foreign Trade Department does not think so. In a statement contradicting all the optimism prevailing in the business community since the embargo was lifted, he said, "the mutual trade value between Thailand and Vietnam is expected to decline, while the restrictions on commerce are likely to increase."

At yesterday's seminar on "The Trade and Investment Policy After the American Lifting of its Trade Embargo on Vietnam", Pathom appeared to be cautious about the positive anticipations of mutual trade ties between the two countries expanding. He said the end to the embargo would instead prompt the Vietnamese government to adjust its economic structure by promoting import substitutions and preserving the available raw materials for local investors.

In short, this would mean Thailand no longer being able to import raw materials like teak, minerals and ore from Vietnam, while Thai investors would find it more difficult to sell their goods. "The Vietnamese government will likely implement import restrictions via three measures; by setting high tariffs, introducing quotas and restricting the volume of imports in industries it is trying to promote," he said.

For example, the Vietnamese government recently announced it will be restricting 16 categories of imports.

"Thai investors should therefore make a profound study before deciding to enter into any business in Vietnam," he suggested. [passage omitted]

In the short run, Pathom suggested Thai businessmen should adjust their business strategy to cope with the new investment promotions of the Vietnamese government. Instead of expecting to import only raw materials from this emerging economy, Thai investors should cooperate with local Vietnamese businessmen in areas where they can share expertise, such as processed-farm goods or textiles. "Else, we should act as a marketing gateway for Vietnamese sellers in the same way the Dutch resold Thai tapioca exports in the European market," he said. [passage omitted]

Dr Sutham Yu-Naitham said Thai investors would be well-positioned to participate in a wide range of services, such as hotels, distribution and human resource development. "Thais have somehow been overlooked [though they have] strong expertise in the service sector," he said.

Loxley Plc's Thongchai Lamsum, whose company is already in Vietnam providing household telephone services, thinks differently. While others identify hotels and tourism management as primary service industries for local investors to bring to Vietnam, he identified hospitals and fast food businesses as more likely to succeed.

"The Vietnamese have more purchasing power than we think they have," Thongchai said. Like others, he also identified the consumer products industry as a potential candidate for investment. He said others include computers and PABX telephone services, including installation and repair.

Narong Chiwangkun, the managing director of Kodak (Thailand) Co Ltd, seemed to agree with Thongchai's identification of potential industries Thais will be able to compete in. "[Were] Thailand a company and I its managing director, I would identify the industries we Thais are to go into Vietnam [with]. Industries which cannot compete need not to go there," Narong said.

Several of the speakers said both Bangkok and Hanoi still had certain problems that immediate remedies had to be found for.

On the Vietnamese side, problems usually identified are the difficult Vietnamese investment laws, red tape, inadequate infrastructure and poor management.

On the Thai side, Vietnamese investors seem to distrust their Thai counterparts. Thai investors, according to several speakers, were viewed as exploiters, rather than as good-willed investors.

Le Cong Phung, the Vietnamese Ambassador to Thailand, yesterday affirmed the lifting of U.S. embargo will not bring about a sudden explosion of economic development via U.S. investment there.

"Rather, it will psychologically relieve our friends to cooperate and invest in Vietnam," Phung said.

The ambassador emphatically said the new situation will not divert his government's foreign policy and economic relations with other countries, especially those in Southeast Asia.

"I can assure you we have and continue to encourage and promote the economic cooperation, trade and investment with Thailand. It is our consistent policy," he said.

Delegation To Pursue Fishery Issues In SRV

BK2202044594 Bangkok THE NATION in English
22 Feb 94 p A2

[Excerpts] Prime Minister Chuan Likphai will lead a 100-member delegation, including about 40 businessmen, on an official visit to Vietnam next month, Foreign Minister Prasong Sunsiri announced yesterday. The visit, from March 16 to 19, is at the invitation of Prime Minister Vo Van Kiet, who visited Thailand last year. It was intended to follow up on previous agreements with Hanoi and to boost Thai-Vietnamese economic cooperation. Chuan will be the first head of government to visit Vietnam in the wake of the lifting of the U.S. trade embargo on Feb 3.

The premier will meet Prime Minister Vo Van Kiet and pay a courtesy call on the Vietnamese Communist Party Secretary-General Do Muoi. Government officials will have a plenary meeting with their Vietnamese counterparts. Chuan also plans to visit the southern commercial city of Ho Chi Minh, Prasong said.

Matters expected to be raised by the visitors include fisheries cooperation and Vietnamese objections to the diversion of water from the Mekong River during the dry season, the central issue which has precluded a framework agreement on the development of the river between Thailand, Laos, Cambodia and Vietnam. [passage omitted]

Prasong said he expected memorandum of understanding (MOU) to be signed for an industrial development. Informed sources said the agreement will be between Thailand's Bangprakong Industry Park and Vietnam's State Committee for Co-operation and Investment, to develop industrial estates at Bien Hoa in Dong Nai province east of Ho Chi Minh City. The company was still negotiating over the size of the development and the price of the land, the source said.

Chuan's visit will be followed up by Deputy Foreign Minister Surin Phitsuwan, who is to attend the third meeting of the Thai-Vietnamese Joint Commission in the second half of the year.

Prasong, speaking at the opening of a seminar on trade and investment prospects in Vietnam, urged closer cooperation between the government and the private sector to reinforce the capability of Thai business to compete in Vietnam and other Indochinese markets.

He said the setting up of the Joint Commission, agreements on investment protection and promotion, and cooperation between the Board of Investment and Hanoi's State Committee on Co-operation and Investment has resulted in increased bilateral trade and investment.

Trade with Vietnam has risen from Bt 3.98 billion in 1992 to Bt4.18 billion in the first 10 months of last year. Up to the end of January, Thai investment in Vietnam was worth U.S. \$141.96 million spread over 31 projects—ranking 12th among foreign investors.

In 1992, the government gave more than Bt 15 million in assistance to Vietnam for education, agricultural development and vocational training. Planned technical assistance to Vietnam from 1993 to 1995 totals Bt150 million.

Prasong said to attract investment Vietnam needs to urgently accelerate tax reform and improve state management of expenditure, education, the legal infrastructure, the banking system and liberalize the labour market. [passage omitted]

Thai businessmen in Vietnam yesterday urged Chuan to push for government-to-government agreement on an Indochinese Fund to give Thai businesses a competitive edge. Other suggestions included accelerating efforts to develop a transportation network through sea and land routes linking Thailand and Vietnam through Cambodia, to accelerate trade and tourism.

TASCO Firm To Open First 'Aviation Colony'

*BK2102014094 Bangkok BANGKOK POST in English
21 Feb 94 p 32*

[By Annabella Gosling]

[Text] The airport business in Thailand has long been the domain of government and public authorities, but Thai Aerospace Co Ltd (TASCO) plans to change this with the opening of the country's first "aviation colony", at a cost of about 1.5 billion baht. The Eagle Space Airport along with TASCO's two other projects—the Thai Aircraft Maintenance Co Ltd (TAMCO) and The Eagle Flying Club—will be located on 1,400 rai in Ratchaburi province, 20 minutes' flying time from Bangkok.

Financial backing for the project has come from Nava Finance and Securities, Krung Thai Bank and a number of other financial institutions.

The airport will be the first general aviation airport and together the three projects will provide "integrated aviation-related services", according to TASCO managing director Prarom Mokawet. "There are some private airports in Thailand but they do not accommodate public planes. This airport will be the first one in the country to be registered with the civil aviation board for public use," said Mr Prarom. "We will be able to accommodate and maintain all 'light' aircraft smaller than a Boeing 737," he said.

The initial runway will be 1.4 kilometres in length with two taxi ways, and facilities at the airport will be able to handle up to 400 planes.

A 155-room hotel and resort complex to be managed by the Radisson group will also be part of the Eagle Space Project.

At first the firm will concentrate purely on smaller private aircraft but if the project is successful it will consider enlarging facilities to accommodate large commercial aircraft as well.

At present maintenance of aircraft in the country can only be carried out by Thai Airways International, so many private aircraft are sent to Singapore for servicing, resulting in a loss of considerable revenue to Thailand. But, Mr Prarom pointed out, "the private sector in Thailand has never really ventured into any large-scale aviation ventures and since we are subject to Civil Aviation regulations we do not want to launch into a large-scale commercial airport that would be in competition with existing government ones. The aim is to support government aviation," he said.

As yet TASCO has no competitors but Mr Prarom believes that other groups will soon become very interested in establishing more private airports.

The second project, TAMCO, is an aircraft maintenance operation that will be a joint venture between TASCO and THAI.

"At present we are making a feasibility study in conjunction with THAI, who subject to agreement will be our partner in TAMCO," he said. Both partners would provide equipment, but THAI would provide personnel alone as it was very difficult to find highly-trained staff in the private sector, Mr Prarom said. Maintenance will be available for all private aircraft as well as THAI and Bangkok Airways planes. The Eagle Flying Club for both local and foreign flying enthusiasts will provide equipment for pilots and flying lessons.

The completion date for the entire project has been set for late 1996 or 1997.

TASCO has future plans to establish helicopter ambulance services and to work in conjunction with both the police and traffic monitoring services.

Uranium in Seized Box Still Unconfirmed

*BK1902095294 Bangkok BANGKOK POST in English
19 Feb 94 p 3*

[Text] The Burapha Special Task Force has urged the Army's Scientific Department to immediately identify the substance contained in a tin box seized by a combined unit of police and military officers from three men last week.

The deputy commander of the Aranyaprathet task force unit, Col Itsara Watcharapraphip, said senior Army officers in Bangkok showed high interest in the box suspected to contain uranium.

The rusty box, which is 28 cms long, 21 cms wide and 6 cms deep and weighs about 4.2 kgs, bears a danger sign and a phrase in English which reads "1974-1994 Uranum 999x Made in USA 2350827".

Col Itsara said he received an order from his superior to closely monitor the reported smuggling dangerous goods,

suspected to be radioactive substances, and to try to prevent them entering the country.

He said he had an intelligence report that at least 10 similar boxes weighing from one to five kgs were smuggled into Thailand and were sold to junk dealers for 200,000 to 1,000,000 baht.

Vietnam

Foreign Minister Holds Briefing on Cambodia Trip

BK2202140994 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 21 Feb 94

[Text] Dear friends, on 18 February before departing for home after a three-day official friendship visit to Cambodia, SRV Foreign Minister Nguyen Manh Cam held a news conference in Phnom Penh on results of the visit.

Foreign Minister Nguyen Manh Cam said: My visit is aimed at strengthening the relations of good neighborliness, friendship, and cooperation between Vietnam and Cambodia. The visit is also aimed at making preparations for the forthcoming visit to Cambodia by Prime Minister Vo Van Kiet. Besides my talks with Prince Norodom Sirivut, deputy prime minister and minister of foreign affairs and international cooperation, I was also received by First Prime Minister Ranariddh, Second Prime Minister Hun Sen, and Chea Sim, acting chief of state and chairman of the National Assembly. It is necessary to say that talks and meetings between the Vietnamese and Cambodian delegations proceeded in an atmosphere of frankness, sincerity, and mutual understanding. The Cambodian leaders stressed the long-standing relations of traditional friendship between the two countries. In this spirit, the Cambodian leaders expressed the confidence that all issues of bilateral relations can be definitely resolved. We have discussed orientations and measures aimed at accelerating bilateral relations. We have exchanged views on the signing of agreements on economic, trade, scientific-technological, cultural, and education cooperations. We have also discussed cooperation in the fields of promoting investment and avoiding double taxation. We have agreed that efforts should be made to complete all essential work so that these agreements can be signed during the official visit to Cambodia by Prime Minister Vo Van Kiet. The two sides expressed the confidence that the upcoming visit to Vietnam by Cambodian National Assembly Chairman Chea Sim and the official visit to Cambodia by Prime Minister Vo Van Kiet will open up a new stage in the relations of friendship and cooperation between the two nations.

We have agreed to settle the pending issues through negotiations in the spirit of mutual respect and understanding. These are issues related to the border demarcation and Vietnamese residents in Cambodia which were discussed during the visit to Vietnam by the two copremiers of the Cambodian provisional government in August 1993. Concerning this issue, both sides agreed that it is necessary to set up an essential mechanism to exchange views and work out a solution for the problem in the spirit

of mutual respect and understanding. We have also agreed to exchange visits by delegations of different fields and levels between the two countries. During my meetings with Cambodian officials, we discussed orientations, measures, and other concrete issues in the field of bilateral relations.

Minister Nguyen Manh Cam stressed: During talks between the Vietnamese and Cambodian delegations, both sides expressed the common determination to strengthen and expand the relations of good neighborliness and friendship and the multifaceted cooperation for mutual interest. It is necessary to say that these relations have developed on the basis of the principles stipulated in the January 1992 Vietnam-Cambodia Joint Communiqué and the August 1993 Vietnam-Cambodia Joint Statement. These are the principles of respecting each other's national independence, sovereignty, self-determination, and territorial integrity. In summing up, my visit to Cambodia was a splendid success. It is hoped that this visit will undoubtedly contribute to strengthening, consolidating, and developing the relations of traditional friendship and cooperation between the two countries. I can say that these relations not only serve the interests and meet requirements for development and prosperity in each country, but also contribute to consolidating the trend of peace, stability, and cooperation for development in the region.

Afterward, Foreign Minister Nguyen Manh Cam answered reporters' questions.

Answering an AFP correspondent's question on the mechanism for resolving pending issues between the two nations, Minister Nguyen Manh Cam said: We have planned to exchange delegations at two levels, namely the specialist and governmental levels. When the specialists complete all essential work, delegations at governmental level will meet to make the final decision.

Dealing with an ASSOCIATED PRESS correspondent's question on ethnic Vietnamese who were stuck in the Cambodia-Vietnam border areas, Minister Nguyen Manh Cam said: In our talks and meetings with the Cambodian side, we asked the Cambodian Government to take measures to resolve the issue of ethnic Vietnamese and Vietnamese who live in Cambodia for a long time. These people have fled to the border areas in the wake of the Khmer Rouge massacre in the recent past. The Cambodian side said that they will pay special attention to resolving this issue by studying and taking essential measures to alleviate difficulties endured by these ethnic Vietnamese.

Answering the Voice of America correspondent's question on the Khmer Rouge's action of continuing to massacre ethnic Vietnamese and Vietnamese residents in Cambodia, Minister Nguyen Manh Cam stressed: Stemming from the relations of friendship and cooperation, we believe that the government of the Kingdom of Cambodia will take essential measures to stop this massacre. I understand that this act of the Cambodian Government will contribute to ensuring security for Cambodia itself, this is because the massacre of foreigners in the country will

directly affect the security of Cambodia. Racial discrimination and massacre only create complications to countries concerned while causing losses to the nation with ethnic minorities. This is because the ethnic minorities, in one way or another, have contributed to economic building and developing of the country of their residence. The Khmer Rouge's massacre of ethnic Vietnamese has been and will be further condemned by world public opinion.

Dealing with a REUTER correspondent's question on the possibility of Vietnam selling weapons and military equipment to Cambodia at the proposal of the Cambodian Government, Minister Nguyen Manh Cam asserted: Vietnam has never engaged in arms trading.

ASEAN Secretary General Arrives for Visit

*BK2202135594 Hanoi Voice of Vietnam in English
1000 GMT 22 Feb 94*

[Text] The secretary general of the Association of Southeast Asian Nations, Mr. Ajit Singh, arrived in Hanoi on Tuesday, 22 February, for a visit to Vietnam. It is the first visit to the country by the secretary general. Vietnam and Laos were given the status as observers of ASEAN in 1993 after signing in 1992 the Bali Treaty. ASEAN and Vietnamese officials hope that Vietnam will soon become a full member of the association.

Holds Talks With Vo Van Kiet

*BK2202150594 Hanoi VNA in English 1411 GMT
22 Feb 94*

[Text] Hanoi VNA Feb.22—Prime Minister Vo Van Kiet received here today Secretary General of the ASEAN organisation Dato Ajit Singh who is here for a working visit to Vietnam.

Host and guest discussed issues of Vietnam's relations with ASEAN on Vietnam's participation in the organization as its full member in the future.

Prime Minister Vo Van Kiet noted that the relations between Vietnam and ASEAN has seen active, rapid development. Vietnam, he said, will continue promoting its cooperative relations with each country member as well as the whole ASEAN organisation, which he said, is a sound alliance established on the basis of mutual respect and mutually advantageous cooperation in conformity with the interest of its country and with peace, stability and development in the region. He hailed ASEAN for having created favourable conditions for Vietnam to participate in some programmes and projects on cooperation in science and technology, environment, culture-information and public health. He expressed his belief that Vietnam would become a full member of ASEAN in the near future.

For his part, Mr. Dato Ajit Singh expressed his satisfaction at the fine development of the ASEAN-Vietnam relations, and reaffirmed that he would do all he could to help Vietnam be a full member of ASEAN shortly.

Vice Foreign Minister Vu Khoan was also present at reception.

Dispels ASEAN Membership Obstacles

*BK2202091194 Kuala Lumpur BERNAMA in English
0339 GMT 22 Feb 94*

[By Rachman Nordin]

[Text] Hanoi, Feb 22 (OANA-BERNAMA)—ASEAN Secretary-General Ajit Singh Monday dispelled notions that there are obstacles to Vietnam joining the Association of Southeast Asian Nations which now has six members. There are no obstacles at all. Vietnam's membership is not the issue now, he told reporters who approached him and Vietnamese Foreign Minister Nguyen Manh Cam as they emerged from a three-hour meeting at the Government Guest House here Monday evening.

When a reporter pressed on whether in that case, Vietnam could even join ASEAN today itself, Ajit Singh said the issue now was the question of timing. Cam interjected and said the timing of Vietnam's entry was for further discussion by ASEAN member nations—Malaysia, Thailand, Indonesia, Singapore, the Philippines, and Brunei.

Ajit Singh was also asked whether ASEAN felt that the lifting of the United States' trade embargo on Vietnam early this month made it necessary more than ever for the communist country to join the grouping. He replied that ASEAN has always regarded Vietnam as part of the region and its granting of an observer status to the country was a recognition of this fact.

Cam was asked whether there was consensus among Vietnam's traders that their country should join ASEAN immediately. He replied by referring to Vietnam Communist Party Secretary-General Do Muoi's statement in Thailand last year that Vietnam would join ASEAN at an appropriate time. This means that the timing of Vietnam's entry into ASEAN depends on the agreement between Vietnam and ASEAN, he said. During his six-day visit to Vietnam, the first by an ASEAN secretary-general, Ajit Singh is also scheduled to tour Dalat, Hue, and Ho Chi Minh City.

Ambassador on Post-Embargo Investment Prospects

*BK2202051594 Bangkok THE NATION in English
22 Feb 94 p A7*

[Speech by Ambassador to Thailand Le Cong Phung on 21 February to a seminar organized by THE NATION and KRUNGTHEP THURAKIT]

[Text] As you know, on February 3, 1994, U.S. President Bill Clinton declared the lifting of the U.S. embargo on Vietnam and proposed the mutual establishment of liaison offices in the capitals of the two countries. The U.S. embargo against Vietnam and the struggle for the lifting of this policy have been an animated matter, closely followed by the public during the past years. The declaration this time by President Clinton is a positive and significant decision which contributes to the opening of a new page in

U.S.-Vietnam relations in the interests of the two countries. This decision not only meets the desire of the American and the Vietnamese peoples, but also meets the desire of many other countries. The lifting of the embargo and the improvement of U.S.-Vietnam relations will make a significant contribution to the common endeavour for peace, friendship and cooperation among nations all over the world, especially in South East Asia.

I am honoured to inform you that the government and people of Vietnam welcome the decision of the U.S. government; the government and people of Vietnam wish to express their sincere gratitude to all those in the United States and in other countries, to the government and people of Thailand, particularly to H.E. [His Excellency] Foreign Minister Prasong Sunsiri himself, for their contribution to the lifting of U.S. embargo and the improvement of relations between Vietnam and the United States of America.

Ladies and gentlemen, the lifting of the embargo on Vietnam brings about the appearance of a series of new problems and many questions have been put forward, such as:

- Will there be any change in the policy of investment and trade of Vietnam? or,
- How does the lifting of the embargo affect the economic development of Vietnam? or
- With the coming of U.S. companies into Vietnam, will Vietnam pay more attention to the relations of cooperation and investment with its neighbouring countries in the region or not?

And, so on.

It is necessary to reaffirm that the lifting of the embargo and step by step moves towards the normalization of relations with Vietnam by the U.S. will not divert the foreign policy and foreign economic relations of Vietnam. The improvement of U.S.-Vietnam relations will not obstruct or be detrimental to the cooperation of Vietnam with other countries, especially with countries in Southeast Asia. On the contrary, the lifting of the embargo and improvement of the U.S.-Vietnam relations will contribute to creating favourable condition for the stability and economic development of Vietnam; promoting more quickly, essentially and effectively the political relations, economic cooperation and trade of Vietnam with countries in the region, including Thailand.

The Vietnam National Assembly session in December 1993 and the mid-term Congress of our Party in January 1994 reaffirmed to continue our foreign policy of befriending all countries in the world, firstly with neighbouring countries; to continue the economic renovation, opening for cooperation with all countries; to overcome shortcomings, modify and amend policies to more effectively strengthen the investment cooperation with foreign countries. In other words, politically, we do not want to side with any country against others but we want to be the friend of all countries on the basis of mutual respect. We

shall continue to adjust, amend and complete our economic cooperation policies and investment laws in order to create conditions to encourage foreign investors and partners.

We should also recognize as a matter of fact that many U.S. companies will come to Vietnam in the post-embargo period. So far, more than 30 U.S. companies have already opened representative offices in Vietnam, some of which have begun to operate. Dozens of other companies have been applying to come to do business in Vietnam. With capital and technological advantage, U.S. companies will be competitive rivals for businessmen from other countries. It will be possible for Vietnam to draw capital and expertise of over one million Vietnamese residents in the U.S. But I myself believe that the coming of U.S. companies into Vietnam will not bring about an explosion of economic development of Vietnam. A major effect of the lifting of the embargo is to relieve psychologically for our friends to cooperate and invest in Vietnam. In the past, affected by the embargo, some countries seemed to hesitate to cooperate or invest in Vietnam; many kinds of goods technology and equipment which we would like to trade with other countries, were restricted. At present, the World Bank, the IMF and other financial institutions, together with the joining of U.S. companies in the Vietnamese market, there emerges a new atmosphere in investment, cooperation and trade. Vietnam has greater demand for economic development; the market of Vietnam has much potential as a source of labour, natural resources and consuming power. No individual country in the world, not even Japan and the United States could meet the development demands of Vietnam. We believe that the more the economy of Vietnam develops, the more investment opportunities and commercial relations will increase.

Regarding the investment area, after six years of implementing the investment law, we have gained great achievements, but at the same time there still exist problems which need to be solved if we want to have rapid development in the post-embargo period.

Over the past six years, we have granted 836 investment licences with a total capital of over U.S.\$7 billion. The investment rate grew quickly. In the period of 1988-1991, it rose with an annual average of 51 per cent. In 1992 it equalled 70 per cent of the previous four years. In the first ten months of 1993, it surpassed the whole year of 1992, both in number of projects and total capital. Of the total investment capital of U.S.\$7 billion mentioned above, the investment in 1993 amounted to U.S.\$3 billion.

The scale of investment also increased and there appears more big companies and groups. In the period of 1988-1990, the average amount of capital for one project was U.S.\$3.5 million, but it rose to U.S.\$7.6 million and \$9.9 million in the 1991-1992 period and in 1993 respectively. Up to now, though small scale projects account for 73 per cent of the total number of projects, they occupy only 12 per cent of the total investment capital. The investment form of 100 per cent foreign-owned capital only accounted for 6 per cent in the period of 1988-1992, now increases to

17 per cent with 128 investment licences and promises a rapid growth in the coming time. During the initial years, most of the investment capital concentrated on the fields of oil and gas (32 per cent) and hotels (20.6 per cent), but since 1991, investment capital for industry has grown. Now, 70 per cent of the total investment projects is in the field of material production.

Our other significant achievement is that we have increased the number of Vietnamese counterparts in joint ventures and cooperation with foreign countries. The mechanism relating to investment, management and regulations has made obvious progress. Especially, we have formed a contingent of staff capable of working with foreign counterparts. This is what we never had in the past and also it's not easy to achieve within a short period of time. With the momentum of economic development in the past years, we have also achieved initial successes in accounting and mobilizing domestic capital, contributing to the increased effectiveness of joint ventures with foreigners.

Apart from the above-mentioned achievements, we also made mistakes and there remain problems which need to be solved soon. That is to quickly complete the legal system and regulations to protect and encourage foreign investment; to strengthen the state machinery, reduce the hurdles and bureaucracy; to urgently solve the problem of infrastructure; to effectively train management personnel, reinforce the contingent of staff capable of working with foreign counterparts. And in the coming time, priority should be given to investment projects in industry, oil and gas, and infrastructure. Viet-Thai relations have been finely developing. After the visit to Thailand last October by H.E. Secretary General Do Muoi, in the next few weeks H.E. Prime Minister Chuan Likphai will visit Vietnam to further cement the relations of friendship and cooperation between our two countries. Parallel to the development of the political relations and the mutual confidence and understanding between our two countries, it is the remarkably encouraging growth in our economic relations. We are happy to notice that a number of big companies or groups such as CP, Bangpakok, Saha Union, Sahanarya, Siam Cement, Padang and so on and so forth, the big banks like the Bangkok Bank, Thai Military Bank, Thai Farmers Bank etc have made their presence felt in Vietnam apart from many small and medium sized companies, and a number of joint ventures and investment projects executed by Thai businessmen have started their operations with initial results.

We also understand that some Thai businessmen still hesitate in doing business in Vietnam. You are worried about the uncertainty in our laws and regulations, the red tape and bureaucracies, the unfavourable prices, low level of management and the poor infrastructures.

Your concerns are correct. In fact, those shortcomings and difficulties mentioned above are a hundred percent true. However, I hold that they only constitute our country's constraints and problems in its initial stage of development. Vietnam embarked on its new economic policy with

the investment law less than six years ago. A six-year period is too short a time for us to bring about a dramatic change for a whole structure and a policy of economic development. I do not know if there is any country which can progress without stumbling in their initial steps of development.

The upgrading of infrastructure is our pressing requirement and priority. Yet, to tackle this problem is not an easy task, especially in the case of Vietnam which has proceeded from a war-devastated economy with a low level of development. At the moment we are concentrating our efforts to develop our infrastructure through the use of funds provided by the IMF, the World Bank, the ADB as well as ODA from various countries. We highly appreciate the high determination of Thai companies like Bangpakok which has been taking part in projects to develop the infrastructure in Vietnam. We welcome a number of other Thai companies which have submitted their applications for their participation in building airports, seaports and upgrading of transport and telecommunication systems in Vietnam.

Another concern of yours is whether or not Vietnam shall continue to cooperate with Thailand after the lifting of the U.S. trade embargo. I can assure you that we have and continue to encourage and promote economic cooperation, trade and investment with Thailand. It is our consistent policy that conforms with the interests of stability and development of the two countries as well as of other countries in the region.

I firmly believe that the lifting of the U.S. trade embargo will provide a more favourable condition for our two countries to work together both in political and economic fields. Thai investors may join U.S. companies in investing in Vietnam. Thai-based American firms like Kodak Thai, Unocal Thai etc. may easily have access to the Vietnamese market. There are promising chances to realize the idea to turn Thailand into a financial and technical gateway to Indochina and Vietnam. The question is that in view of present constraints in the way to invest in Vietnam, like law and regulations, facilities, bureaucracies, low infrastructures and so on and so forth, whether Thai investors should start their joint ventures, investment or cooperation with Vietnam now or wait until everything is satisfactorily prepared.

I am afraid that we can let the chances slip out of our hands if we hesitate.

Excellencies, Friends,

In conclusion, I wish to reaffirm that Vietnam will continue to carry out its process of economic renewal, openness and development of its economic, trade and investment with foreign countries. While the lifting of the U.S. embargo and particularly when the two countries can normalize their relations, will facilitate the entry of American companies to do business in Vietnam, we shall attach more importance to trade and investment cooperation with other countries especially with our neighbouring countries in Southeast Asia, including Thailand.

Supreme Court Deliberates Corruption Case

BK2202132494 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 22 Feb 94

[Text] Today, 22 February, the Criminal Court of the Supreme People's Court continued its preliminary and final hearing on the illegal trading of 4,000 tons of steel designed for the construction of the North-South 500-kilovolt power line. After the defense statements, the prosecutor, on behalf of the Supreme People's Organ of Control, challenged some points made by the defense lawyers. Then the defendants delivered their last statements to the court. In the afternoon, the trial council started their deliberation. About 1400 tomorrow, 23 February, the trial council will read its verdict on the case.

AFP Details Proceedings

BK2202131094 Hong Kong AFP in English 1131 GMT 22 Feb 94

[Text] HANOI, Feb 22 (AFP)—The trial of former Vietnamese energy minister Vu Ngoc Hai, implicated in one of the biggest corruption scandals of recent years, has become abnormally drawn out because of persistent arguments between lawyers. Journalists report that the public hearing, now in its fifth day, has significantly overrun the 72 hours originally allotted for it because of lengthy debates between the prosecution and Hai's lawyers. According to judicial sources, a verdict is now not expected before Wednesday afternoon. Observers claim such delays are rare in the Vietnamese legal process.

The circumstances leading up to charges being brought against Hai after two years of investigation are particularly complicated and politically sensitive. Prime minister Vo Van Kiet even declared the affair a matter of priority. The trial, which calls a former government official into question for the first time since 1975, is considered a test of the government's will to stamp out corruption which has worsened since Vietnam moved to a market economy. The former energy minister is accused of "abuse of power" in the delivery of 4,000 tonnes of steel intended for the

construction of the first 500 kilovolt electric powerline from the north to the south of Vietnam.

He allegedly ordered the steel from a small intermediary company run by one of his relatives instead of going through Vinametal, the main state firm responsible for metal trading. The prosecution alleged that by-passing the state company cost Vinametal 3.1 billion dong (about 300,000 US dollars).

Hai is appearing in court together with his former deputy minister Le Liem and seven other co-accused who are directors of other companies implicated in the scandal. The prosecution has asked for a fixed three-year jail sentence for the former minister and a two-year suspended sentence for his deputy. It requested three to seven-year sentences for their associates. The defence lawyers have called for outright acquittals for the two main defendants because of the "complexity" of the case and the "lack of precision" of the charges.

The case is highly sensitive since the prime minister, who has vowed to make the fight against corruption one of the priorities of his government in 1994, personally committed himself to the construction of the 500 kilovolt powerline, which should alleviate the energy shortage in the country's southern provinces. The development project, which is one of the most important in Vietnam, has been plagued by bribery and by theft of materials since it began in 1992. It has been delayed and its cost, originally estimated at 300 million US dollars by the authorities, has almost doubled.

Three days before the start of the trial Kiet fired Hai from his job as "prime minister's special supervisor for the 500 kilovolt powerline". He was sacked from the government last year and was last month expelled from the Central Committee of the Communist Party. However neither he nor his deputy has been arrested.

Foreign journalists have been present at the trial and the proceedings have been relayed to several dozen onlookers through loudspeakers in the courtyard of the central law courts.

Australia

Government Not To Send Troops to Bosnia

*LD2002202594 Melbourne Radio Australia in English
1700 GMT 20 Feb 94*

[Text] The foreign affairs minister, Gareth Evans, says Australia won't be sending troops to back up United Nations peacekeeping forces in Bosnia-Herzegovina. Senator Evans says there is no shortage of available troops, and the decision has been taken out of respect for Australians with ties to the former Republic of Yugoslavia.

In a television interview, he said that once a country provided troops it was hard to appear impartial. Sen. Evans said the Bosnian conflict had a strong emotional impact on important sections of the Australian community—including Croats, Serbs, and Bosnian Muslims. He said they were represented in Australia in large numbers and, in such a situation—if troops were committed—it would be hard to avoid being seen to take sides.

Evans Criticizes PRC on Hong Kong Policy

*BK2002085494 Melbourne Radio Australia in English
0800 GMT 20 Feb 94*

[Text] Australia says there is an element of brinksmanship in China's attacks on political reform in Hong Kong. Australia's foreign minister, Gareth Evans, said China would be most unwise to undo electoral changes when it takes over the colony in 1997. Senator Evans was responding to an Australian Television interview to China's criticism of him as irresponsible over the Hong Kong issue.

The comment carried by the XINHUA News Agency followed Senator Evans' expression of admiration on Wednesday for the democratic reforms being promoted by Britain through its Hong Kong Governor Chris Patten. Senator Evans said his statement of support during Mr. Patten's official visit to Canberra was not the first time Australia had backed the electoral changes. Australia's foreign minister said Britain was taking a few modest steps on the path of democratization. Senator Evans said it was consistent with the terms of the agreement between China and Britain. He said Australia and rest of the world should

stand firm on the democratic principle involved in Hong Kong. Senator Evans is scheduled to visit China in early April.

Evans Refutes Massacre Claim in Indonesia

*BK2002085694 Melbourne Radio Australia in English
0500 GMT 20 Feb 94*

[Text] The Australian Government says it has seen no evidence to support allegations of a second massacre by Indonesian forces in the East Timor capital, Dili, in November 1991. The foreign minister, Gareth Evans, said there was no evidence to justify anything like the claim made by the Australian journalist, John Pilger.

Mr. Pilger's television documentary on East Timor, which is to be screened in Europe this week, claims that in addition to as many as 90 or more people killed by Indonesian security forces at Dili's Santa Cruz Cemetery those captured at the scene and wounded people taken to hospital were themselves subsequently murdered.

Speaking on Australian commercial television, Senator Evans said there was no evidence to support such an allegation. The Australian foreign minister said he placed less value on the report because of Mr. Pilger's record of distorted sensationalism mixed with sentiment. Senator Evans said there were still uncertainties about what happened and how many people were missing and dead as a result of the Dili incident. But he said there were a number of eye-witnesses at the hospital and cemetery who denied Mr. Pilger's claims of a second massacre.

New Zealand

Bolger Welcomes U.S. Decision on Contacts

*BK1902080894 Melbourne Radio Australia in English
0500 GMT 19 Feb 94*

[Excerpt] New Zealand's prime minister, Jim Bolger, has welcomed news that the United States has decided to upgrade its contacts with New Zealand after seven years of restriction because of New Zealand's antinuclear policy. The announcement was made in a message from the American secretary of state, Warren Christopher, to New Zealand's foreign minister, Don McKinnon. Mr. Bolger said the upgrading applied to both governmental and military contacts. However, REUTERS news agency says the message emphasized that while the American Government had decided to resume senior-level contacts, this did not signify a restoration of United States' defense obligations to New Zealand. [passage omitted]

